BUSINESS WEEK

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FOR THE WEEK ENDING SEPTEMBER 28, 1929

An OPEN LETTER to Boards of Trade, Chambers of Commerce, Proud Citizens . . *and their* WIVES!

DOTTED about here and there over this country are communities that deserve to be known as "smiling towns."

Visitors who come on business or social errands carry away the message of their tidiness and well-being . . . and shining good cheer.

They are attracting the type of citizen who believes that a good city to make money in ought to be a beautiful city to live in, too.

And so they grow . . . and prosper . . . beyond their dingier, less colorful neighbors. These "smiling towns" owe much of their present loveliness to the transforming power of Aluminum Paint.

In the beginning, the city fathers used Aluminum Paint because of its unusual protective qualities. But they soon realized that its mission was much broader than this. As water tanks, gas holders, lamp posts, letter boxes, traffic signals, bridges, assumed a soft, silvery sheen, the town took on a new beauty . . . and a new, and broader, civic pride.

Owners of factories and mills—practical men who consider the economic features of each commercial expenditure—put their seal of approval on the community value of Aluminum Paint.

California Avenue Bridge, Pittsburgh, Pa. Painted with Aluminum Paint

Aluminum Painted Water Tank owned by City of St. Petersburgh, Fla.

Poles on Broadway, Galveston, Texas Painted with Aluminum Paint

Dingy factory tanks, once unlovely spots against the landscape, have become shining turrets on silvery supports. Metal structures of every kind are being brightened and beautified.

They tell the passing world that here is a place that is proud of its industries . . . and wants everybody to know it.

And along the residential streets, garden trellises, iron benches, metal fences, swings and sand boxes have taken on a coating of Aluminum Paint, and are adding their touch to the "towns with the silver linings."

To every citizen with a pride of place, the booklet, "Aluminum Paint" should be a matter of interest. Let us send you a copy—or a copy, with your compliments, to those citizens of your community who are charged with its upkeep.

ALUMINUM COMPANY OF AMERICA
24997 Oliver Bldg., Pittsburgh, Pennsylvania
Offices in 19 Principal American Cities.

When you buy Aluminum Paint tell your dealer whether you want it for indoor or outdoor use.

ALBRON

And be sure to specify ALBRON for the pigment base. ALBRON is ALWAYS made from pure ALCOA Aluminum.

ALUMINUM PAINT
"IT LEAFS"

The Business Week

FORMERLY THE MAGAZINE OF BUSINESS

A JOURNAL OF BUSINESS NEWS AND INTERPRETATION

FOR THE WEEK ENDING
SEPTEMBER 28, 1929

Business Outlook—Showers and Cooler

THE business weather is becoming more definitely unsettled. The equinox is past without any serious storm in the stock market, but intermittent showers of selling have made the ground a bit marshy. Banks and investment trusts are kept busy laying planks of optimism and supplying credit support to help the market keep its feet dry. Bank rate rises abroad are a black cloud on the horizon, possibly signifying early snow and heavy frost. With a 6½% rate at the Bank of England, for the first time since 1921; with our exports dropping sharply in August, for the first time in a decade; with foreign loans here vanishing and gold flowing in, no one can ignore the crucial character of world credit conditions.

Industrial activity is beginning to drop unseasonably below last year's levels, but trade is still running along at a fairly normal pace, and probably will hold to its regular seasonal and long-time trend. Professional optimists are rushing in with explanations to soften the sentimental shock of the industrial decline—unnecessarily, because there is nothing abnormal about it. It is a natural accompaniment of the high-flying age in economics. Industrial and speculative activity usually fluctuate widely; general business as a whole changes slowly, grows steadily, plods on its pedestrian way little affected by financial stunt-flying. Now, particularly, the flying-weather forecasts are not good.

Bank Rate Brakes on Business Tighter

THE Bank of England finally did the expected. It boosted its rediscount rate Thursday from 5½% to 6½%—the highest it has been since 1921. This is its second increase this year, forced by heavy drain on gold reserves. Wall Street speculation, absorbing ever-growing sums, has been primarily responsible.

For several weeks the inevitability of the increase has been apparent. But England was reluctant to strike the blow to business at a time when autumn trade demands heavy financing. The Labor government, particularly Philip Snowden, was also in opposition. Loss of $15,000,000 of reserves in the week made further delay impossible.

The increase will have a profound effect in England, in the United States, and on the Continent. This is the season when Britain is buying heavily from us. Higher money rates will impede the financing of these imports. New York has realized this fact, and so for several weeks has been pointedly unwilling to take gold from London. The rising profit to be made very recently was the only counteracting influence.

British trade and industry, well toward recovery in most cases, will be hit, and hit hard. It is also a blow to the Labor government. On the Continent, tightening will result. Berlin's hopes for easier money fade. The Scandinavian countries' central banks raised rates the same day. The French discount rate of 3½% is now even more strikingly out of line, while the beginning of autumn imports which pull on their reserves is at hand. The Bank of France is fortified by large foreign balances, but these cannot forever withstand the pull of high rates.

Higher and ever higher money rates throughout the world will put increasing brakes on business. Business has pulled through the brakes for a year with remarkable show of power. But now the brakes are tighter.

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Tariff Blocs and Blockades

UP to last week in the debate on the new tariff bill the Senate spent most of its time playing with blocs, always a popular game in the Congressional kindergarten. Little blocs of manganese, wool, and other things are lying about on the Senate floor, and the going is be-

coming difficult, especially in the dark, as so much of the Senate is.

These stumbling blocs are expected to impede progress chiefly when rates come to be discussed; but last week they began also to hinder settlement of the administrative provisions. Here the great battle of the session will rage, for whatever bloc writes the administrative features of the law can afford to rest when rates are written.

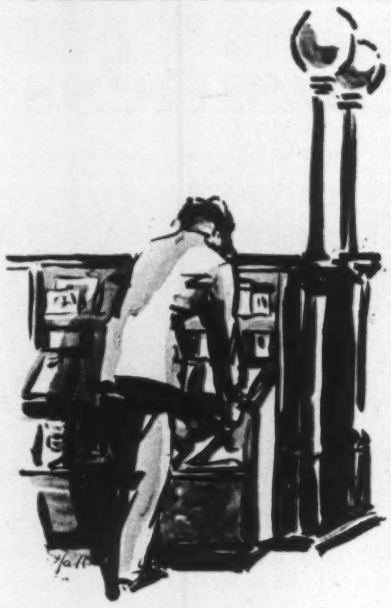
The President's support of the flexible provision has cancelled his neutrality proclamation and forced him now to share responsibility for at least the fundamental character of the bill. The flexible principle will probably be saved in the end. It is theoretically sound, but in practice has been a miserable failure. It has not meant speedy adjustment of rates; it has meant mainly increases in rates. It has been based upon a vague and impracticable principle of adjustment, and has rested upon a weak kind of Tariff Commission. The President has not indicated how these defects should be remedied, and there is little hope that they will. Unless they are, the Aministration victory on this point will be of little value.

The influence of the heads of senatorial blocs was shown this week in the action of two other administrative features of the bill. Against the interests of the flour milling industry, and as a slap at Canada and Cuba the agricultural bloc forced the retention of the tariff on wheat imported for milling in bond.

More significant was the large vote in favor of prohibiting the importation of articles produced abroad under American patents and trademarks. The American Federation of Labor had been able to hew out a solid bloc from both parties in favor of this monstrosity, and it will probably remain in the Act. Provincial prejudice against Henry Ford and other corporations who are building up business abroad played a large part in passing this preposterous provision.

Few American concerns are as yet manufacturing abroad goods to be sold in this market. Real production costs are not always lower abroad. An embargo on such products will not increase American employment; it will not prevent American capital from going abroad; it will not prevent importation of goods manufactured abroad with American money.

It will only hamper and delay the improvement of foreign purchasing power which is inevitable as our capital goes abroad, and which benefits all American labor in the end.



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The Trials of Farm Boarders

THE Farm Board, youngest of the President's new family of commissions and bureaus, was not to be allowed to cut its first teeth before being investigated by its senatorial godfathers. Wheat belt Senators want to know why it hasn't raised wheat prices—by buying up the crop, loaning more money on it, storing it, or something. Before confirming nominations of members of the Board, the Senate Committee on Agriculture has begun an examination of the soundness of their doctrine, and, as usual, also of their personal affairs.

The Committee started on Chairman Legge last week. It made a Roman holiday, allowing even Senator Brookhart, not a member, to wield an ax in the hearing. The senatorial heckling went into how many shares of what kind of stock Mr. Legge owns, whether International Harvester stock was selling at too high a price, etc. Even the old bone about Harvester selling farm implements more cheaply abroad than at home was dug up and gnawed a while.

In the time left to talk about the Farm Board's policies, some interesting things appeared. Legge takes a stubbornly sane and moderate view of the Board's functions. If the Senate doesn't like it, he'd just as soon go back to his $100,000 job. The Board's main problem, he says, is to develop co-operative organizations and through them build up new storage and terminal facilities. Credit has been and will be granted to co-operatives only so far as is necessary to supplement that available from other sources. The Board intends to continue that policy. To do otherwise would be to throw money away. Farmers don't want charity. Fifteen billions worth of crops cannot be financed with $150,000,000 anyway. The Board has already made loan commitments of only between $35,000,000 and $40,000,000 at an average of 3⅝% interest.

Nothing much could be done with this year's wheat crop because storage space is lacking. Canadian wheat is bringing a better price than American because of a differential of eight or nine cents in freight rates, a better grading system and superior storage facilities. Our wheat exports are poor because European money is pouring into Wall Street.

If the Board has disappointed the prophets of the agricultural millenium it is because it has not had time to do much but feel its way. Moreover, if it has not carried out Congressional intentions, it is because the members don't quite know what they are. "I have read the bill twenty times," Legge said, "and I don't understand it yet."

Congress evidently expects the Board to scatter its funds broadcast, and is willing to supply all the money necessary, regardless of dangers and difficulties Board members know are involved.

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Wool Industry Finds It Isn't Sick

WOOL men learned at this week's meeting of the Wool Institute, to the surprise of many, that their business was not on the verge of disaster after all, despite the wild rumors of impending demoralization which have been current in the industry for months. The Institute announced that a majority of woolen mills had reported, to date, business volumes much larger than last year. Such facts, hitherto given only to inquirers, will now be distributed regularly to members. The moral is that business has not yet learned to use fully the fact-finding agencies it has developed.

Hiring, Firing and Quitting

TUCKED away in the sober pages of the *Monthly Labor Review*, each month beginning this August, you will find a couple of statistical tables which conceal among their dry decimal points a drama of industry—an endless moving picture of people incessantly going and coming in American factories, quitting the boss, getting the mitten, or finding new jobs.

These tables contain the new index of labor turnover which the Bureau of Labor Statistics in Washington has now begun to compile and publish regularly. It is incidentally, also a fine testimonial to the service which a great American corporation was able to render to American business. Four years ago the Metropolitan Life Insurance Company began to study the problem of gathering exact information on labor turnover. Finally through the pioneer work of its economist, Dr. W. A. Berridge, the company was able to bring its work to the point where it could be turned over to the Government to carry on. Through its Industrial Service Bureau, the Metropolitan succeeded in getting over 300 employers with more than 600,000 employees in 22 states to co-operate in supplying the information. The Bureau of Labor Statistics is hoping to extend the coverage and ultimately to show the turnover figures by industries and perhaps by sections of the country.

These figures will be of great aid to individual employers by enabling them to compare their own turnover rates with a national average and thus see what is wrong or right with their own personnel policies. Labor turnover is costly. Fifty dollars to replace each employee is a conservative average.

The turnover figures will also provide one more important measure of changes in business conditions. There is no more sensitive indicator of business than what goes on from month to month in our factories as workers are hired, laid off, or quit. In these constantly fluctuating figures one can see the way employers and workers are adjusting themselves from month to month to changing market conditions for both goods and labor.

The figures, running back to 1919, show also a tremendous change in American industry during the past ten years by way of stabilizing the working force. In some months in 1920 the total turnover rate went as high as 155%, which means that every worker on the payroll during the year was replaced more than 1½ times through quitting, discharge and lay off. Even in 1923 the turnover rate rose to 130%. Since then it has fallen fairly steadily from an average of 123% in 1920, to 90% in 1923 and 37% in 1928.

The latest figures for July, 1929, reflect the high activity of business in the first part of this year. The rate of quitting and the rate of hiring were higher than a year ago, but the lay-off rate and the discharge rate were lower. This means, for workers, that the chances of getting better jobs were apparently good. For employers, the fact that they were not laying off men at as great a rate as a year ago indicates that factories were running more steadily and business was more stable. The figures seem to show generally that workers quit most frequently in the spring and in the fall, but cleave closely to their jobs in winter. Lay-offs occur most frequently in midsummer and mid-winter, while firing is done fairly evenly throughout the year.

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Senate's Bank Views, Town vs. Country

SENATORIAL opinion on the necessity of revamping the national banking laws is mixed. There is the same sectional controversy between urban and rural interests that has muddled most other economic legislation. The Senate will hear with great interest the stand taken by the bankers themselves. Senator Peter Norbeck, of North Dakota, chairman of the Senate banking and currency committee, returned to Washington this week. He conferred with Senator Carter Glass but little was learned from them.

The situation was summed up by Senator Edge, of New Jersey, second ranking Republican of the committee, as resolving itself into whether or not we desire to give up the banking system of this country for that of England. He believes, however, that greater stability would be provided by permitting the branch bank movement to follow its natural course, unrestrained by too severe political interference.

Senator Fletcher, of Florida, ranking Democratic member of the committee, also believes that there is much to be gained through the establishment of branch banks in outlying communities. He is willing to overhaul existing laws and make any alterations that may be necessary because of changed conditions. He does not feel that the present statutes are unduly severe.

An entirely different view is taken by Senator Brookhart, of Iowa. He does not like consolidations of any kind and is particularly opposed to them in banking. He does not want interference with the independent bank. If local financing requires greater resources than are offered by the local banks, he believes that the Reserve banks should carry these needs. He holds that the Reserve banks are intended to be centralizing agencies and should be used as such. He longs for the day when cooperative enterprises can command enough capital to combat industrial consolidation and the chain store organizations.

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No Rates Treaty On Nicaraguan Canal

FAR-REACHING will be the effects on American shipping (and international goodwill) if the proposed $1,000,000,000 canal across Nicaragua is carried through. An engineering battalion of 400 under Major Daniel Sultan is now in the Central America jungle surveying a possible route.

By the Hay-Pauncefote treaty of 1901, the United States agreed that preferential toll rates would not be granted to American shipping through the Panama Canal. Congress apparently considered the document a scrap of paper when it passed the Panama Canal Act in 1911 providing exemption from tolls for American

shipping. The Act was repealed in 1911.

Were a canal to be built by the United States in Nicaragua, toll rates favoring American shipping through the canal undoubtedly would be set. There is nothing in the Hay-Pauncefote treaty to prevent such action. The Panama Canal would still be available for the use of all nations on equal terms. If Congress, however, acting with the same spirit that led to passage of the Panama Canal Act of 1911, decided to raise the tolls above those levied on the Nicaraguan canal, the letter of the Hay-Pauncefote treaty would still be observed, but an interesting international situation might develop.

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Rail Consolidation and the Loree Plan

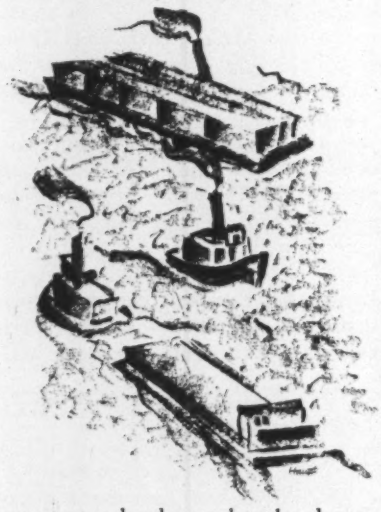
THE seventeen-road railway system which Mr. Loree proposed to the I. C. C. has revived discussion of the future of railroad consolidation. Several important merger plans are pending, but hearings on them are unlikely until the Commission has made public its own ideas of how the railroads should be grouped. Some such expression of policy has been awaited since 1920, when the Transportation Act was passed, requiring the Commission "to propose and adopt a plan for consolidation of railway properties into a limited number of systems."

General opinion is that the Commission favors a merger plan of four general groups, but there is little real basis for the belief. It is expected, however, that the Delaware & Hudson plan will make the Commission show its hand. Several proposals have been rejected because they failed to consider weak lines. This cannot be said of Mr. Loree's plan.

Despite the well-intentioned consolidation provision of the Transportation Act, not a single consolidation as contemplated under the law has been effected. Three such applications have been filed with the I. C. C. since 1920, but nothing has been done about them. The Van Sweringens, the Taplins, the Wabash, the B. & O., the Great Northern, and the Northern Pacific, all have important merger plans before the Commission. But there has been no inkling of a decision.

The Commission is trying to produce a plan that will prove a basis for discussion. It need not be cast-iron. Unlike the British government, the I. C. C. is powerless to compel acceptance of any plan it might favor. Yet its veto of other plans only serves to confuse the issues, and put railroad consolidation back where it was ten years ago. The very requirement in the Transportation Act, which directs the Commission to propose and adopt a plan, has thus caused a deadlock. And railroad men are asking, "What good does it do any railroad to compile a plan in advance, feeling that the Commission will disapprove?"

Then, too, the task of setting up a fool-proof consolidation scheme for the entire railroad system of the country is



too great a burden to be placed upon any group of men. Another discouragement to consolidation is that although the law makes consolidation permissive, it withdraws the incentive to private gain by stipulating that a railroad shall not earn more on its investment after consolidation than before. Are railroads charitable organizations? Can they be expected to perform the gigantic labor of consolidation for nothing?

Consolidation is still further impeded by the obsolete provision in the Transportation Act of 1920 which favors only one type of unification—corporate consolidation. Anyone who has studied the history of railroads knows that seldom have two or more roads been consolidated in such a manner that all lost their identity in a company with a new name. Petty bickerings among local business interests and among the carriers themselves likewise check progress. New England business interests are divided into two camps. One supports the "Group Plan" of all New England lines; the other supports the "Trunk Line Plan," tying them up with the major systems. Then there is the renowned "Four Party" conflict, about to become a six-party war. On one side are the B. & O., the Van Sweringens and the New York Central, original supporters of the four system plan; against them heavily arrayed for the battle, stand the Pennsylvania, Delaware & Hudson, and Wabash, and, latterly, the Taplins.

And so consolidation marks time. The whole country eagerly awaits the plan of the Commission.

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Federal Reserve Sees Progress

TWO rather distinct results of its rate manipulation in early August are shown by the Federal Reserve Board this week. The higher rate for rediscounting brought a marked decline in borrowings from the New York Reserve bank in August. Member banks' borrowing in the month increased from all other Reserve banks except Cleveland, where there was little change. This decrease in New York was made possible by purchase of bills by the Reserve system and by flow of funds from other districts.

Secondly, the lowering of the bill buying rates put them below the bill rate in London. This has brought much of the autumn financing to this side of the Atlantic and prevented that much pressure for the Bank of England. This development has brought a sharp rise in the volume of bills in New York. It has tended to prevent shipments of gold from London to New York—again being a help to the Bank of England.

One hint as to the future is given by the Board. In the past, the Board says, the fall buying of bills to care for seasonal expansion has been accompanied by purchases of government securities when the system's policy was to ease money. Holdings of government securities in recent weeks have increased. The Board's statement in effect says, "Watch our government portfolio and you can tell our policy."

The general tenor of the Board's statement is that any considerable easing in money is not likely while banks continue so heavily indebted to the Reserve system. This is in accordance with the generally prevailing belief that money rates are likely to continue high throughout the fall and perhaps longer.

NOTHING CONTRABAND

Distribution ▶

Plumbers, Heaters Sign the Pledge

THE National Pipe and Supplies Association has adopted a set of trade practice rules. The plumbing and heating industry hopes it has found a cure for its troubles. Intense competition, chaotic distribution, escharotic selling, were making it impossible to earn honest profits. So much ingenuity had been used to devise trick selling methods that there was nothing left which could be proved to be the "custom of the trade" even if an individual company was willing to go through the grief and time-consuming processes of smoking out unfair trade practices, one by one, in law courts. Some of the selling methods that were said to be current were:

1. Inducing breach of contract between competitor and customer.
2. Marking or branding so as to mislead or deceive purchasers with respect to quantity, quality, size, grade or substance.
3. Selling in such a way as to deceive purchasers.
4. Price discriminating to create monopoly.
5. Making contracts for large orders with large quantity discounts, but making only small deliveries, thus concealing price concessions.
6. Making false invoices, granting secret rebates, refunds, credits or unearned discounts.
7. Selling below cost to injure a competitor.

The industry agreed these practices should be stopped. The Federal Trade Commission has approved the agreement. Its approval has even more than the force of common law, for the Commission has authority to act directly in defending its trade practice agreements.

The working out of these rules will be particularly significant because of present chaotic conditions in the construction supply trades generally.

Real Estate ▶

Chicago Staggers Its Moving Days

TWENTY per cent fewer families will move in Chicago October 1 than on the same day last year, due to concerted effort by real estate men, moving companies, telephone, gas and electric corporations. Within the year, 100,000 Chicago leases, about one-third of those written, have been for expiration dates other than the conventional April 30 and September 30.

All business suffers by moving congestion twice a year. A neighborhood retailer, who works six months to build up trade only to see twenty per cent of his customers depart overnight, is seriously injured. If a few had left each month, he would scarcely have felt it.

Property owners suffer too. Apartments are vacant for months. Long concessions are demanded. Landlords must pay over-time and double-time to decorators spring and fall. Deadbeats, lease jumpers, and the like operate with less difficulty at rush times.

Disadvantages to tenants are familiar. For example, of the two established moving dates, one is a month after school opens, the other a month before it closes.

Bankers and financiers are concerned. Risks of financing building ventures would be considerably cut if there were twelve, instead of two, renting seasons a year.

Not all cities have the peak moving problem to the same extent as Chicago, but all have it more or less. Progress made toward scaling down moving peaks and filling in renting depression is in line with a tendency throughout all business today. It is the Hoover idea—eliminating waste and thus making business flow more evenly, efficiently and economically.

P. & A. Photo

GLAD TO OBLIGE

Ogden Mills, Assistant Secretary of the Treasury, told the Senate he'd be happy to produce corporation tax returns—given a year and a train of ten-ton trucks

Retailing ▶

Montgomery Ward Enters the City

MONTGOMERY WARD & COMPANY has acquired the Hartman Corporation—a chain of furniture and home furnishings stores. That is, if Hartman stockholders agree on October 21 as expected. Most of the business of Hartman's 50 stores in Chicago and other Midwest cities is done on installment sales, exceeding $20,000,000 a year.

One of the Hartman Stores is a 12-floor establishment in the Chicago Loop. This will be the first Montgomery Ward store in the heart of a big city and represents a reversal, or at least an exception to, established location policies.

Textiles ▶

Rayon Industry Grows Apace

REMARKABLE growth in the rayon industry is revealed in figures issued this week by *Textile World*.

Domestic production has increased 14 times since 1920; 3½ times since 1924. The 1929 production in this country is forecast at more than 131,000,000 pounds; importations, 17,000,000. Total American consumption is, therefore 148,000,000 pounds. World production is estimated at 396,000,000. The United States is far in the lead as a producer. In 1920, when rayon began to grow, domestic consumption amounted to 10,000,000 pounds. Five years ago, we consumed 40,000,000. Incidentally, many in the textile industry thought that 1920 saw the peak of the rayon boom. Today, students of the situation feel that it is merely beginning.

Reasons for rayon growth are: im-

P. & A. Photo

LIKES EUROPEAN UNION

Herr Stresemann, Chancellor of the Reich, tells the League of Nations M. Briand has a great idea

provements in the yarn itself, in its strength and appearance, the development of fine sizes, and of low lustre yarns.

The rayon industry has been having its troubles this year—has felt the effects of increased competition from new units entering production. These troubles have been recognized as "growing pains" not only by rayon producers but also by a majority in the rayon consuming trades.

Rayon, so far, has made much of its progress by cutting into silk, cotton and wool. The du Pont Rayon Company has published a chart of relative importance of rayon in various industries—10.4% of the knit underwear was rayon; 9.7% of the hosiery.

With the introduction of high-quality chemical fibres in chiffon velvet, crêpes, smooth satin and other types yet to be tried out, silk has now a true rival in dress fabrics. There is rivalry also in underwear. Figures of women's underwear sales from 1928-1929 show half the vests; two-thirds of the bloomers and one-third of the step-ins and pajamas were manufactured from rayon.

The price range of the man-made textile throws it in direct competition with cotton, but cotton's growing use in industry more than offsets decreasing use in clothing.

In spite of the rayon boom, the sales and production of the natural fibres have remained at high level through the past few years. United States has been using more silk every year since 1924. Imports of raw silk are 9% greater this year than last.

Rayon has stepped into the higher-priced fabrics class with its incorporation in the exclusive textiles designed by Rodier and others, but it has a long way to go before it exhausts its potentialities. For instance, the field of knitted materials has only been touched upon with tricolette and the few similar knit fabrics. The ultimate popularity of rayon will be determined by the success of its search for new uses.

Already its progress is amazing. It was first manufactured in France in 1884—its American offspring is only 18 years old—yet it is in successful competition with the natural textiles which are from 2,000 to 5,000 years old.

Agriculture ▶

Old Boxcars Help In Wheat Crisis

"USELESS" boxcars have increased the grain storage capacity of the Northwest by nearly 1,500,000 bushels in the past few weeks. When lack of grain storage space became acute, A. M. Fenton, vice-president of the Chicago, St. Paul, Minneapolis & Omaha railway announced it would supply antiquated boxcars to elevators at a purely nominal charge. The Omaha's supply of cars was exhausted and the Northwestern Line, parent of the Omaha, was called on for help.

Together the two roads turned over 1,000 cars, each capable of storing 1,000 to 1,500 bushels of grain. In the Twin Cities alone elevators requested 300 more cars than could be provided. A small charge was made to meet Interstate Commerce Commission requirements, but Mr. Fenton said the purpose was not profit, but to render public service in an emergency.

Retailing ▶

Chain Store Men Talk Turkey

"IF we chain store men can initiate a movement to do away with the pernicious system of specials, or loss-leaders, we shall set a new standard of practice as far-reaching as the adoption of the one-price standard, which once was considered an idealist's dream." W. T. Grant thus minced no words before the National Chain Store Association in Chicago this week.

"By profitless selling, which fools nobody but merchants who practice it, we are dissipating between three and five billions of good business annually.

"At one time our company offered sensational values at store openings. Police were needed to handle crowds. It was a blatant attempt to fool the public—in other words, just plain faking. Our actual experience since has been that greatest sales records have been made with fewest loss-leaders. Any fool can give goods away. To make weak store managers, let them depend on specials."

Some chain store men applauded Mr. Grant's militant stand. Others demurred. One summed it up, "Down deep, we all agree with Mr. Grant. But it's one of those cases where we talk, and then do nothing."

Consensus of opinion, however, is

Underwood Photo

SOCIAL CALLER

Thomas W. Lamont drops in at the White House—informally. Did he mention the world bank?

that some progress is being made by chains away from price baits toward more general fair profit merchandising.

Col. William J. Donovan made important remarks as to the legal position of chains. He cited a 5 to 4 Supreme Court decision in which the minority opinion held a statute was designed to protect a large class of consumers from exorbitant prices "made possible by the strategic position of a group of intermediaries in the distribution of a product from producers to consumers." If this opinion should prevail, it would apply to chains. If Congress should strengthen the anti-trust laws its most probable extension would be in this direction.

Col. Donovan said repressive or restrictive legislation "will depend on whether chain store men abuse their power of bargaining in purchasing either from producers or manufacturers. The public is impelled to strike only when aroused by unfair and unjust methods which are usually the result of stupidity."

It is not the size of the business, but the abuse of power for which the public will not stand.

Utilities ▶

Banking Giants Jockey for Place

THE utility consolidation chess game continues. The recent formation by United Founders and Harris-Forbes interests of two giant holding companies, United States Electric Power and Public Utility Holding Corporation, to acquire holdings in other utilities; the struggle for three "key" utilities on the Pacific Coast; the change of ownership of Frontier Corporation between the Morgan and Mellon interests—all are significant moves.

Banking groups are invading and conquering the utility field. Present consolidation movements are likened to those of the railways twenty-five years ago when a few large interests were buying control. Mergers and rumors of mergers keep the ears of the financial world hot.

Thus far, however, certain "islands" in and around the larger cities, New York, Boston, Baltimore, New Haven, and Detroit, have remained impervious to repeated attempts of the major groups to merge them. Consolidated Gas of New York, Edison Electric Illuminating Company of Boston, Consolidated Gas of Baltimore, United Illuminating Company of New Haven, and Detroit Edison Company—all have turned deaf ears to the seductive pleadings to join some large utility group. Each has a strong-willed management of its own, which thus far sees no necessity for "joining up" with the giants in the industry. But the economic laws of production and distribution of power, the most effective utilization of steam and hydro-electric stations, may bring about such mergers in spite of all.

Present consolidation movements differ radically from previous ones in the utility field. Few operating and holding companies are combining. Large banking groups are merely seeking control of the most profitable and strategic properties.

Incidentally, this frenzied combination and supercombination of utilities has reverberated in Washington. Legislation covering the interstate movement of electric power will be sought in the December session of Congress. Already, agitation is begun for regulation of public utility holding companies.

These giant combinations of banks, investment houses, and utility companies present knotty problems of regulation. They are the trend of the times, and can not be dismissed with a wave of the hand, or prevented by onerous legislation. A common-sense method of dealing with the situation must be worked out.

Finance ▶

Insurance Companies Want Common Stocks

INSURANCE companies in New York and savings banks in Massachusetts want common stocks. The laws say no. They want the laws changed. They see similar companies in other states reaping juicy profits from their holdings in common stocks. They want to do the same thing. State officials are feeling considerable pressure.

Insurance and savings institutions are highly regulated by law in most states, particularly as to their investments. The idea is that they should be kept solvent and liquid at all times. They are regulated by the government because of their importance to the people. Some states permit limited investments in common stocks, others do not. In almost all cases, just as many investments have been made in stocks as the law permits.

The companies hold that prohibitions against common stock are but the voicing of an old prejudice. In prewar years common stocks were under the same stigma as were cigarettes and knee skirts. New York went so far last year as to permit investment of its insurance companies in preferred stocks and convertible bonds. The change in favor from bonds to stocks manifest everywhere among investors and speculators alike thus has now crept into the most conservative quarters. The sight of great profits is irresistible in its appeal.

In New York the demand has struck a snag in Albert Conway, state commissioner of insurance. He has served notice of his firm stand against a change in laws in this direction. The element of risk present in common stocks should never be present in the reserves of insurance companies, Mr. Conway holds.

The question is debatable, but of tremendous public importance; 65,000,000 people carry more than $100,000,000,000 in life insurance, to say nothing of other forms. Probably almost as many have savings accounts, totaling several billions. The funds of both classes of institutions should always be in the most completely safe investments. Safety is paramount, but too great conservatism makes insurance cost more than it need.

Production ▶

You'll Take Your Machines Gray

MACHINE tool builders have picked up a discarded leaf from Henry Ford's notebook and announce that hereafter customers can have their new equipment finished in any color desired so long as it is gray. Presumably other colors will be available—but at a price. Meeting the individual color requirements of customers with esthetic ideas has cut profits. The National Machine Tool Builders Association has decided that just one color will be covered by the standard quoted price.

Production ▶

At 73, Starts a Steel Plant

GEORGE STEWART DAVISON of Pittsburgh recently resigned the presidency of the Gulf Refining Co. and a group of associated companies, not because he has just turned 73 but to give his whole time to a new enterprise. After he returns from the world engineering congress in Japan he will look after the Davison Coke & Iron Co. whose new plant on Neville Island, below Pittsburgh, has been coming into operation unit by unit.

Davison company recently revived the merchant production of pig iron at Pittsburgh which had been suspended since the Pittsburgh & Lake Erie railroad bought and tore down a furnace several years ago. The revival is being achieved by integrating the iron smelter with by-product coke, cement, and gas production, using the river for coal transportation. The Davison company, a $10,000,000 enterprise, recently bought the American Steel & Wire furnace and 140 acres in the middle of the Ohio river, a site which had been proposed for an armor plate plant during the war.

The first battery of Koppers by-product coke ovens was fired Aug. 1 and the second battery later. These will furnish coke for the blast furnace and gas for fuel in the cement plant and for sale to the Manufacturers Light & Heat Co. The 1,000,000-barrel cement plant, operated since June by the Green Bag Cement Co., a subsidiary, uses slag from the furnace as raw material. Blast furnace gas operates the power plant for the cement and furnace operations and the surplus is sold.

Underwood photo

CLEAN BREASTS

Charles M. Schwab, chairman, and Eugene R. Grace, president, of Bethlehem Steel leave the Capitol after saying they're sorry lobbyist Shearer was hired

Davison has been with the Gulf companies, a Mellon interest, since 1905, but with his son, Allen S. Davison, he has been engaged on the side in pig iron for several years, with furnaces at Sharpsville and Cherry Valley, Pa.

Production ▶

Detroit Becoming Steel Center

DETROIT has been coming forward as a steel producer in the last four or five years at such a rate that it will not be long before she passes some of the older centers. Her automobile industry consumes around 3,000,000 tons each year, and construction now under way will bring her own production capacity up to about half that.

Ford Motor now has ten open hearth furnaces and more than 1,000,000 tons ingot capacity at the River Rouge plant, with room for additional plant of the same size.

The Great Lakes Steel Corporation is building 600,000 tons ingot capacity and 400,000 tons finished capacity, a $20,000,000 plant to be finished next year.

The Newton Steel Co., in which there is a General Motors interest, is erecting a $10,000,000 plant at Monroe, Mich., to have 200,000 tons finishing capacity. The Steel & Tubes division of Republic Iron & Steel recently built a welded tube plant in Detroit. The Michigan Steel Co., of which George R. Fink, organizer of Great Lakes, is president, built finishing mills six years ago. Fink will be president of the Weirton-Great Lakes-Hanna alliance.

The American Rolling Mill Co. of Middletown, O., in which the Fishers of Detroit are interested, was recently reported to be contemplating building a continuous strip mill at Wyandotte, between Detroit and Monroe. The Hanna Furnace Co. will rebuild one of its two Zug Island blast furnaces.

Without the American Rolling Mill plant these projects would give Detroit a steel capacity about equal to that of the Cantor-Massillon district in Ohio.

It had long been held in Ohio and Pennsylvania that the most economical location for the steel industry was near the coal fields—that iron moves to coal

P. & A. photo

BIGGEST BANKER?
Head of "world's largest bank," at least—Charles E. Mitchell of the National City

—but the rise of Detroit as the greatest market for finished steel products in the world and the growth of the low volatile bituminous coal fields of southern West Virginia, shipping as conveniently into Detroit as into Pittsburgh, have given the Detroit steel industry a basis of logic it did not have when Capt. Eber Ward built his Kelly converter and mill at Wyandotte in 1864.

Finance ▶ Brokers Borrow 8.75% on Stocks

BORROWINGS of brokers on Sept. 1 were a smaller percentage of the aggregate market value of all stocks listed on the New York Stock Exchange than at any time since Dec. 1, 1927. The borrowings reported Sept. 1 by the Exchange for all members were $7,882,000,000, a new high record. Total market price of all stocks Sept. 1 was also a new high record of $89,668,000,000.

Brokers' loans have been increasing. Stock prices and new listing of stocks have increased even more rapidly. About 8.75% of the value of stocks on the Exchange is in borrowed money. Up to Aug. 1, the ratio was above 9%. The level now is about ½% higher than two and three years ago. Stock prices, brokers' loans, both have doubled in just a little less than two years.

Classification of stocks as to industries was made Sept. 1 for the first time. Railroad stocks exceed in total price any other group, with $12,777,760,921. Petroleum companies were second, $7,600,000,000; automobiles and accessories third, $6,161,000,000.

Finance ▶ Speculation Pulls Bank Deposits

TIME deposits in Federal Reserve member banks decreased between June 1928 and June 1929 by $113,000,000—the first year's decline since 1914. A considerable proportion of these are savings deposits. Decline in demand deposits was even more marked; $200,000,000.

Withdrawal of time funds for use in stock speculation is shown distinctly. Other things which have happened to Reserve member banks in the year are a decline in their investments of more than $700,000,000 and an increase in their total loans of $1,350,000,000. That deposits can decline and loans increase is an anomaly until it is seen that capital funds of banks have increased during this period by more than $700,000,000.

Much of the decline of demand deposits has gone into the capital funds of banks. Many new offerings of bank stocks have been made; many holding companies formed. On the other hand it appears certain while total credit in the United States is increasing, it is being put to uses which take it from the banks. There were 8,707 member banks of the Reserve system at the end of the year; 8,929 a year ago. Total resources of all member banks, however, increased.

Decline in time deposits is contrary to the theory that a shift from demand to time deposits has been in progress in order to take advantage of lower Reserve requirements. The heavy decrease in investments of banks shows an added cause for weakness in the bond market.

Retailing ▶ Stores Buy Skirts Long and Short

WITH all due respect to the fashion experts of New York and Paris, it is a good hunch that women will not all conform this year. Such a radical change as a four inch lower hem line and a high waist cannot be brought about in a season. Therefore the belief that the well-

P. & A. photo

HARRIES STATISTICIANS
Senator George of Georgia severely denounces the official forecasters of the cotton crop

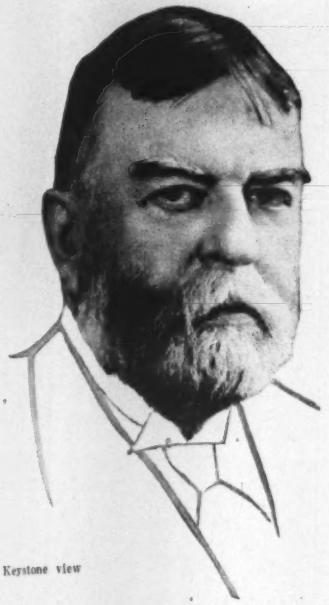
dressed woman of 1929-30 will appear in long skirts and short ones, with hem lines even and uneven, and with very high, very low, and medium waist lines.

The same will be true in regard to colors; there will be no predominating shades. Department store buyers believe fickle woman will wear pretty much what she finds becoming and comfortable—whether the textile manufacturers and fashion arbiters like it or not.

Stocks are being accumulated by many leading stores on the basis of this belief. Few are betting on complete acceptance of the new modes this year.

Construction ▶ Contractor's Lot Is Not a Happy One

ASSOCIATED GENERAL CONTRACTORS OF AMERICA report that since 1913 wages of their workmen have increased 58 per cent more than cost of living; that the public has received innumerable benefits through better construction methods; but that the poor contractors, themselves, are making less money than ever before. In fact, they maintain that 40 per cent of incorporated contracting organizations make no profits and that the aggregate profit for the industry is but 3.2 per cent.



Keystone view

THE RESTLESS AGE

Leonor Fresnel Loree in his 72nd year plans a great Eastern seaboard rail merger with his D. & H. as nucleus

Industry ▶

Rubber Plants Sprout In South

ANOTHER sign-post pointing to the rapid development of the South. B. F. Goodrich Company will start erection of new factory in Atlanta. This is expected to be in operation by the end of the year; will reach peak production early in 1930; initial capacity 10,000 tires daily; cost $1,500,000.

Two companies recently completed tire fabric mills in the South. Goodrich spent $8,500,000 at Silvertown, Ga., to erect one of the largest cord fabric mills in the world. Goodyear has been erecting a fabric mill at Rockmart, Ga.; operations are to be begun this month.

Goodyear's new plant at Gadsden, Ala., was noted last week.

Railroads ▶

Motor Trucks Release Cars

OPEN-MINDED railroad executives are not too bigoted to use motor trucks themselves. Trucks are hauling much construction and repair material, releasing many freight cars for revenue service.

The Chicago, Milwaukee & St. Paul operates 12 trucks; estimates they save the use of 50 revenue producing cars daily. The Southern Pacific saves one-half the space of a revenue car for each truck operated. Elgin & Joliet & Eastern, with one truck, saves from one to two cars weekly.

Southern Pacific estimates actual savings in use of motor trucks at 50% of cost of moving materials with a motor car or push car and 75% of cost with work train. One railroad saves $1,200 annually with one truck. Missouri Pacific saves 32 man hours per day per truck and the first truck purchased by the New Haven paid for itself in its first two months of service. Fifteen trucks in the Lackawanna service save $5,000 per year.

Railroads ▶

B. & O. Goes In For Luxury

PASSENGERS on the B. & O. "Columbian" trains between New York and Washington are to luxuriate in the last word in club cars. Two lounge cars just built in the B. & O. shops contain unique features in interior decoration and arrangement. The cars are divided into two compartments, a lounging room and a smoking room. Ladies are welcome in both.

Both compartments simulate a home-like living room with comfortable settees, deep cushion armchairs, library table and writing desk. The two compartments are separated by a glass partition and swinging door. Steel construction is used. Interiors are finished in natural mahogany. Furniture in the lounge is upholstered in velour, mohair and plush. In the smoking room the upholstery is brown leather.

Transportation ▶

Truck Taxes In Debate

SHOULD commercial motor vehicles be taxed up to 14 or 16% of their gross revenue in order to equalize their competition with railroads? The question started a controversy in a committee of the National Tax Association, in convention at Saranac Lake. The majority report favored such taxation since railroads pay about 6% of their gross revenue in taxes and 10% in maintenance and construction of rights of way.

The minority report denied that to equalize competition between like industries through taxation was a function of government. It strongly opposed increased levies on motor vehicles.

Edward F. Loomis of the National Automobile Chamber of Commerce pointed out that the average passenger car tax for the country is $22. The average motor truck is taxed $50. Common carrier trucks pay 14 times as much as a private automobile or $303 per year while buses pay an average of $512 per year, or 24 times as much as the private car owner has to pay.

Mr. Loomis maintains that further increase in special taxes of trucks and buses will hinder further development of this efficient means of transportation. Already, he said, taxes are so high that many marginal operators have been forced out of business.

Wide World photo

CHICAGO TAKES BOW

Melvin A. Traylor is named to help organize world bank in recognition of Chicago's growing financial importance

Railroads ▶

In Africa, They Log the Jolts

TANGANYIKA RAILWAY, East Africa, makes a record of bumps caused by irregularities in the roadbed. The apparatus consists of a roller which rests in a valley formed by two inclined planes. The axis of the roller is parallel with the track and is free to move up one or other of the inclined planes when

the car sustains a lateral shock. These movements are transmitted to a recording pen and marked on a traveling chart or roll of paper.

Vertical motion of the car is recorded by means of a weight suspended from a spring. The device is useful in the study of riding quality of springs, and in charting track conditions.

Aviation ▶

South American Lines Multiply

THE scramble continues for air transport rights in South America. The French Compagnie Générale Aeropostale has won from Chile exclusive rights for five years to transport one-half of the air mail originating in Chile and destined for Bolivia, Peru, and the United States.

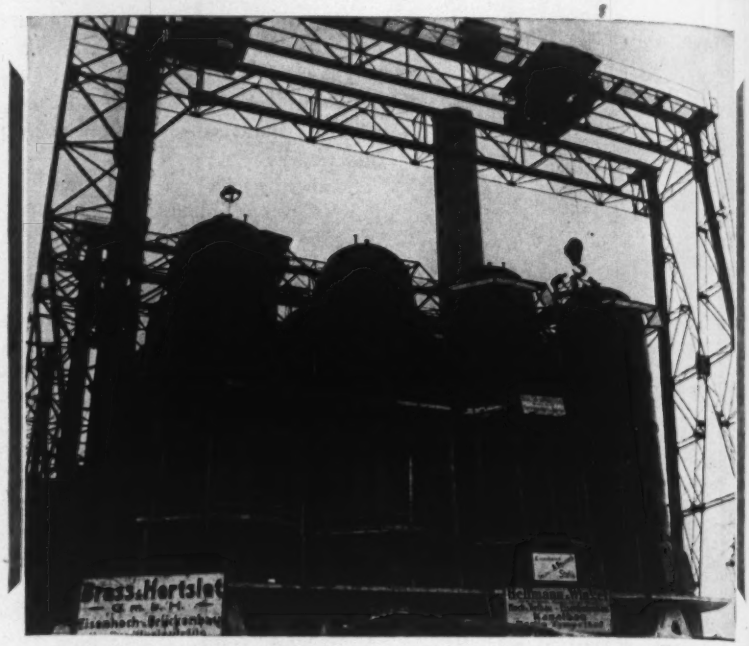
Venezuela has signed with the French company for the transport of air freight to Europe, Africa, and other South American states. The company already has transport rights in Brazil and has a completely organized transatlantic service. Mail is flown from Paris to Dekkar where it is transferred to transatlantic fast mail boats. Picked up in Brazil, it is flown to Rio de Janeiro and arrives in less than 10 days after it leaves the French capital.

The winning of these new contracts places French air transport lines in an enviable position commercially. Pan American Airways holds United States mail contracts over West Coast routes, and this week inaugurates air mail service as far as Guiana on the East Coast. A new American company has announced contracts for air mail transport from Argentina, Uruguay, and Venezuela. New York, Rio and Buenos Aires service will be inaugurated next year. How many services the Latin American traffic can support remains to be seen.

Production ▶

1200 Panes In Quartz Glass Porch

IN the sanatorium just dedicated by the National Vaudeville Artists at Saranac Lake, New York, is the largest solarium in the world using quartz glass windows. A glassed-in porch is perched high above the trees and 1200 fused quartz glass window panes transmit the ultra violet rays of the sun with less hindrance than any other known material.



Keystone view

THRIFTY HANS STORES STEAM

World's largest steam storage plant, at the Charlottenburg, Germany, electric generating plant. Excess production of boilers during the day is stored under high pressure and used at night when the electrical load is heavier. Sixteen containers, 23 meters high, 4.5 meters in diameter

Virtues of fused quartz windows have long been known, but only after years of research has General Electric Company developed a method of producing them at a cost within reason.

Quartz fuses at 3200 degrees Fahrenheit, about three times that of glass, and it is extremely viscous when fused. The process now employed eliminates cutting, grinding and polishing of panes.

Quartz crystal, crushed to pass through a ¼ inch mesh, is put on flat graphite disks between thin graphite slabs formed in squares 7½ inches wide. A number of these trays are stacked in a form and placed in a high temperature furnace, in a vacuum. When the quartz is fused, nitrogen gas is admitted at a pressure of 150 pounds per square inch to compress bubbles. The resulting quartz plates need only squaring of the edges by grinding.

Production ▶

General Motors Family Grows

GENERAL MOTORS CORPORATION has purchased North East Electric Company of Rochester, one of the three largest makers of automotive starting, lighting and ignition equipment. The other two are Delco-Remy—an old time member of General Motors Family, and Electric Autolite, owned by the interests headed by C. O. Miniger and Charles F. Glore, which recently acquired control of Willys-Overland.

North East has had considerably less business than the other two concerns. Its connection with General Motors should improve its position. But it will have to fight its own way assisted only by the economies of consolidation and standardization offered to members of the family. Competition within General Motors is frequently as severe as any outside. Car divisions buy parts and equipment from other divisions only when they get a bargain by so doing. They do not hesitate to buy in the open market if prices or service justify the move.

Since Delco-Remy supplies not only all General Motor units but a large number of independent car and truck makers as well, observers have wondered why North East was taken over. The recent report that General Motors is considering manufacture and sale of radio equipment under R.C.A. licenses may be an answer.

It would be a relatively easy job for North East to turn its hand to radio manufacture.

Distribution ▶

Lone Gas Pump Disappearing

GASOLINE stations are changing their character. The single pump in front of a private house or a drug store is disappearing. They are not really profitable. Mostly they are not convenient. Imposing chain gas stations are growing in number.

A study of gas station costs by Paul T. Cherington, published this month, brings forcibly to the attention of gasoline distributors the folly of pushing loss-business. The idea that "a sale is a sale" and that the jobber need not care whether the retailer makes a profit, is dying fast. The industry now recognizes its success is dependent on successful distributors making adequate profits all the way through from refiner to the consumer.

The trial censuses of distribution showed one-third of all gas stations to have a gross business of less than $5000 a year and almost 60% of them under $10,000. They also showed gasoline sales being made by bakeries, candy stores, fruit and vegetable stands, meat stores, restaurants, and so on through a list of 21 kinds of retail business having no association with the sale or servicing of automobiles.

One company, at least, has started a program to stop all distribution to small dealers. Yet there are obvious places for small dealers, as there are places in grocery and dry goods stores for slow movers.

Marketing ▶

Coffee Growers Buy Restaurants

NATIONAL Federation of Coffee Growers of Colombia is planning to subsidize foreign restaurants which serve the genuine Colombian coffee. The federation is contracting for coffee houses in Barcelona, Berlin, Rome, Stockholm. Paris may control the length of women's skirts the world over, but New York controls styles of doing business. Since our producers have started buying or establishing their own retail outlets we must be prepared to see the fashion spread.

Marketing ▶

Ads Bring Foreign Trade to St. Louis

THE Foreign Trade Bureau of the St. Louis Chamber of Commerce, is, for the first time, testing out cooperative publication advertising as a means to develop foreign trade. In six months, $12,000 is to be spent. Advertisements are running in three principal export journals. Time necessary to get all replies from even the first advertisement has not yet elapsed, yet 200 inquiries and a few actual orders for merchandise have come from 30 nations.

Advertising for export business is to be made a permanent activity of the St. Louis chamber. One result has been to interest a number of non-exporting firms in foreign trade possibilities.

A prior survey showed exports of 295 concerns were $39,906,553 in 1927. Of these, 118 companies were shipping to Central and South America, 111 to Europe, 102 to Mexico, 89 to Canada, 81 to Cuba, 55 to the Far East. Special effort is being made to develop South American business by stressing St. Louis' favorable location as an inland port from which goods can flow down the Mississippi quickly and economically.

A dozen other cities have written for detailed information about how St. Louis is seeking foreign trade. The Bureau of Foreign and Domestic Commerce of the United States Department of Commerce is watching the experiment.

Marketing ▶

Why Metal Prices Are Steady

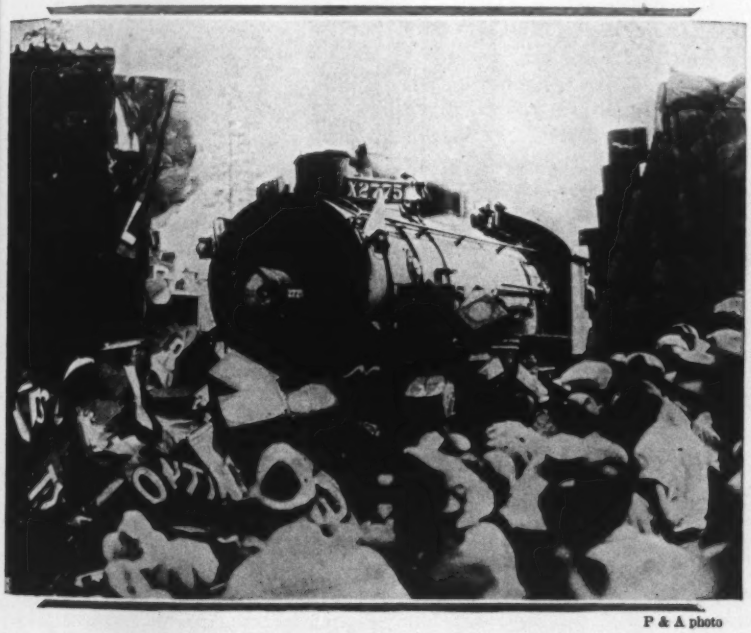
RECENT stability of metal prices, at what are regarded generally as satisfactory levels, reflects an important trend in the metal mining industry: increased attention of producers to marketing policies—a more intelligent regulation of production to consumption. *Engineering and Mining Journal's* weighted index of metal prices indicates little change for the last four months.

Copper's steadiness since the 18-cent price established on April 15 is the result largely of a better understanding of the market by producers and a better organization of the export trade, although the increased vertical integration of the copper producing and fabricating industry has also had a steadying effect.

The remarkable stability of lead prices for the last three years is definitely due to increased market knowledge. A narrowing of producing interests down to two major factors in the domestic lead trade has also had its effect.

Zinc has not been quite so steady, but here, too, price curves show increased stability. Restraint of competitive price-cutting has been evident this year and a more intelligent regulation of production to demand.

Silver, with close control from Lon-



P & A photo

LOCOMOTIVE SMASHES MOUNTAIN

But only a papier mâché mountain at Hackamore Junction, northern California—formal opening of Southern Pacific's Alturas line, giving a new route from Oregon and Washington to the East

don, has long been comparatively stable. Since it is largely a by-product of copper, lead, and gold, difficulty is experienced in adjusting production to conditions that have made silver less necessary in the world's financial systems. Tin prices have approached sufficiently close to cost of production to achieve comparative stability, with the aid of some measure of foreign control. Aluminum and nickel have been so closely controlled for years that the price rarely changes.

Retailing ▶

Druggists' Wits Match Chains

KANSAS CITY druggists have evolved a plan, success of which may set a precedent for many other lines of business.

Forty-five of the active members of the existing Associated Independent Druggists organization started afresh in December under the old name. Each member bought $100 worth of stock at the outset. The resulting $4500 paid the expenses of a wholesale house—thus giving the Associated Druggists a controlled source of supplies and the ability to buy as cheaply as any druggist in the United States.

There is an executive committee of eight directors, out of which is selected a buying committee of three. These officers devote the necessary time free of charge. An executive head receives $100 weekly for his entire time.

The system finances itself through enterprising business management. The organization contracted full page advertising space to be used once a week for three years. It was then only necessary to rent out this space to individual manufacturers whose lines were handled. The balance between the three-year full page rate and the part page single insertion rate was enough to net the organization $200 weekly—or double the official head's salary. Furthermore, the display windows were made to pay for themselves by a system of selling them to manufacturers who furnish the decorations, and, incidentally, pay the salary of the window decorators in the form of rent for the windows.

Each member receives 6% on his hundred dollar investment. His real profit, however, comes from the buying end; the druggist, through controlled purchasing, is securing merchandise about 20% cheaper than the average non-organized druggists, with which he can either meet chain and cut-rate store prices or realize extra profit for his store.

Building ▶

There's Gold In Them Thar Peaks

INVESTORS in the new skyscrapers going up all over the country can rest easy. The projects should make money, on the authority of the American Institute of Steel Construction, Inc. The Institute has just completed a two-year survey of the economics of skyscraper construction. It finds 75-story buildings will pay—under certain conditions. But those conditions!

The plot must be an entire city block—about 80,000 square feet—somewhere, as in the Grand Central Zone of New York, where land values approximate $400 a square foot. If the land is valued at only $200 a square foot the economical height of the building is 63 stories.

The exhaustive survey disclosed primarily that the greater the cost of the site the higher must be the building to make the venture profitable. Offhand, this doesn't sound like a profound piece of research.

The report discusses other objections to skyscrapers and dismisses them all. Under New York building codes, at least, light, air and beauty are provided in large measure by modern skyscraper construction.

The accusation of causing traffic congestion can not be dismissed so easily by skyscraper proponents. The report tries, however. It blames automobiles for the congestion and, rather naïvely, suggests that the concentration in a single building of several thousand persons who have been scattered before has little or no effect upon street traffic.

P & A photo

WHAT DOES A VAN SWERINGEN DREAM ABOUT?

Things like this—and fifteen years later the vision hardens into steel and stone. Cleveland's $65,000,000 passenger terminal expects to receive its first train January 1. Six buildings will use air right above the tracks

Wide World photo

STUBBORNLY SANE

Alexander H. Legge (standing), chairman of the Farm Board, was good natured under Senatorial heckling and quietly refused to promise the millenium. Seated—Senators Thomas of Idaho, McNary of Oregon, Smith of South Carolina

Automotive ▶

Ford Moves Hint Changes in Model A

INDICATIONS are that Ford is about to make changes in the Model A, to affect body design but not greatly alter general appearance of the car. By rumor, the coupe is to be extensively redesigned. Some alterations are forecast on the Tudor and Fordor models. It is reported, also, that radiators are to be higher, the hood and cowl made longer, large-hub type wheels adopted and a change made in the curvature of the front fenders. Other unauthenticated rumors put the gasoline tank at the rear and give a longer wheelbase.

Ford world production of cars and trucks for August was about 205,000 units. Domestic sales were about 165,000. Demand for the present Model A continues at high levels. Dealer stocks continue small. This is not the usual condition presaging model changes. If Ford is inaugurating a policy of yearly or biennial model changes it will be one of the most important moves in the history of the industry.

Supporting the rumors are these facts: Ford plants have recently been placed on a five-day week basis for machines as well as men. All year up to now, Ford machinery has been operating on a full six-day week basis. Steel specifications are being curtailed for future delivery. Ford's October schedule is reported to be but 170,000 cars and trucks.

Agriculture ▶

Texas Bankers Meet "Competition"

SOME of the difficulties of farm relief were revealed in a conference Sept. 16 at Houston among Governor Moody of Texas, members of a special legislative committee, and thirty leading bankers. The meeting showed two significant things: (1) Bankers in farm sections are beginning to be worried about the competition of the Farm Board in providing agricultural credit; (2) A general farm organization scramble is on to assure local interests a share in Farm Board funds.

Co-operatives are being hastily improvised on a state or local basis to "take advantage" of the Agricultural Marketing Act. In Texas, the plan is to organize community co-operatives centering around the local cotton gin. Out of these, county councils, district councils and finally a state council is to be organized. The cotton farmer, member of the local co-operative, after having ginned his cotton will be able to store it in a bonded warehouse, secure a receipt to be used as collateral with the co-operative, enabling him to place a note with the local bank.

In this way the farmer will get a larger loan quickly, while the local bank, acting for both co-operative and individual farmer, will be able to do a larger loan business, both bank and farmer sharing in the benefits of Farm Board credit. THE BUSINESS WEEK correspondent in Texas, describing the plan, says it will probably not be put into operation even during the next marketing year.

Taxation ▶

Politico-Economic Reduction Talk

THE Federal Treasury sees some possibility of tax reduction. Officials, however, are not definitely promising to make such recommendations to Congress. Eager Washington correspondents went much too far in their first accounts. The large surplus at the end of the fiscal year, plus increase of $92,000,000 in income in July and August over the same two months last year, do give some room for hope, officials say. Any reduction is most likely for corporations and on small earned incomes. The Treasury has found lower rates often induce capital to emerge from non-taxable sources.

Admission that the Treasury sees some promise indicates: First, a belief that a high level of prosperity will continue for a long time. Otherwise, a depression would cut down income and run the treasury into "the red." Second, that governmental expenditures will not increase very greatly. Treasury is running on a narrower margin and could not stand heavy increase. Third, elections for many Congressional posts will be held next year. Tax reduction makes the party popular. The administration wishes to have as strong support as possible in Congress. Reductions in the case of small incomes would not materially affect government revenues, but would provide excellent campaign material.

Swift Survey of Business Abroad

In cooperation with Bureau of Foreign and Domestic Commerce

EUROPE—Though spotty, business conditions in Europe as a whole continue good. Increased building activity is sustaining the iron and steel industry at high levels. Continental coal mines are reported working to capacity. The early September drought is reflected only in the increased demand for American feeds, rains having come too late to save forage crops.

France—Trading volume reaches new levels each month. Tax returns just reported for August were 387,000,000 francs greater than for August 1928 and were above budget estimates. Rapidly expanding activity in northern coal-mining regions has caused a labor shortage. Preliminary wheat crop estimates point to record harvest. Other crops, especially oats, fruit, wine and potatoes, are excellent. (cable)

Great Britain—Uncertainty of the bank rate together with the collapse of Hatry interests on the stock market overshadowed all other economic developments.

Italy—Business optimism has risen with the government forecast that production of wheat will reach an all-time record. With stabilization has come renewed courage on the raw material import market, but reflection in the export market of finished products is not yet evident.

Sweden—Unusually heavy foreign trade activity forecasts good export surplus in all lines. Particular progress over the first seven months of the year was made in the exportation of lumber, pulp, iron ore, ball and roller bearings, machinery, and in agricultural products. Imports of coal increasing; cotton, downward; automobiles, constant. (radio)

Netherlands—Business men anticipate good autumn and winter business. Heavier imports during August wiped out previous substantial reduction in surplus of imports. Confidence is widespread despite money market uncertainties. (cable)

Hungary—Renewed favorable forecasts for all crops increase farm buying and start business on upward trend. The wheat crop, while under that of last year, will be of superior quality. All business indicators are up: iron and steel, railway traffic, consumption of electricity, and increased employment. (cable)

Austria—Disappointments in the harvests and in the season's tourist trade are offset by boom conditions in the iron and steel and machinery industries. Conditions are good in electro-chemical, paper, coal, and shoe industries. Automobile and textile industries are quiet. (cable)

Greece—An expanding foreign market for native products — especially cereals and tobacco—reduces the adverse trade balance. In new trade expansion the United States is the leading country of origin and the third country of destination for Greek exports. (radio.)

FAR EAST

Nothing has developed to change last week's general outlook. Chinese trade remains unaffected by political bickering; British Malaya is adjusting to lower rubber prices; Indian trade is improving.

China—Sino-Soviet situation remains virtually unchanged, with no further effect on North China trade. Business communities are apprehensive over immediate domestic issues, and renewed civil outbreaks in Yangtze valley. Railway traffic is increasing as a result of the lifting of the military embargo on Hankow-Peking line. Iron and steel mill activity in Hankow region continues to expand. Reports from Shanghai state Sino-Russian situation has resulted in cessation of the Japanese boycott activities and that Japanese trade is again showing substantial increases. (radio)

India—General economic conditions are improving after a long period of depression. Bank clearances are larger; foreign trade has increased in volume; labor difficulties in both Bombay and Calcutta have been settled; monetary conditions show distinct improvements. (cable)

British Malaya—Business is adjusting itself to changed conditions resulting from lower rubber prices. Imports of Australian flour and of California fresh fruits have increased. There is increased activity in electric power plant construction; iron and steel movements are slow. American talking moving-picture equipment is being installed in Singapore. (cable)

Netherland East Indies—Trade in staple lines is spotty. The rice crop is poor; building and construction active. Widespread satisfaction in business circles due to government's decision to rescind tax on company bonuses to employees. (cable)

Philippines—Prospects for current months are good though general trend may be influenced by wet weather. Local money is plentiful and a shortage of export paper has been reported. Prices are steady and the tendency is upward in the rice market. Increased activity is apparent in tobacco and copra markets. (cable)

SOUTH AMERICA

Conditions spotty. Increasing optimism in Argentina; uncertainty in Brazil.

Argentina—Optimism more prevalent. General prospects seem better for spring trade. Thus far linseed has suffered most from lack of rain, with wheat damaged to a very much lesser extent.

Brazil—Business dull, with banks reporting little demand for money. Santos coffee stocks are low with large percentage of low-grade coffee. (cable)

What the Figures Show

LATEST week figures all show continued slackening in industrial activity, but general trade appears to be well sustained.

All production figures are down for the week, though some are still above last year. The declining trend at this time is contrary to last year, when industrial activity was on the increase.

General steel operations have fallen off about 2% and are about to drop below last year's level. The average is 82% of capacity compared with 84.5% the week before and 85% last year. The Steel Corporation is at 85.5% against 88% a week ago, and about at last year's level. Independents are at 79% capacity compared with 85% last year. Routine buying of rails is good and railroad equipment orders quite active, but structural steel orders dropped sharply for the week, and automobile demand is reported extremely slack. Iron and steel composite prices have weakened noticeably for the first time in more than a month, whereas last year they were strongly upward. Scrap prices show continued weakness. This probably means continued decline in steel operations.

GENERAL building operations fell off by latest week figures, and are considerably below last year's daily average. Heavy construction contracts, on the contrary, showed a marked increase, from $75,072,000 to $108,295,000 for the week ending September 26, according to *Engineering News Record* figures, and are substantially above last year.

The rate of bituminous coal production declined slightly for the latest week but is still running above a year ago.

FIGURES OF THE WEEK

	Latest Week	Preceding Week	Year Ago
PRODUCTION			
Steel Mill Operation (% capacity)	82	84.5	85
Building Contracts (F. W. Dodge, daily average in thousands)	$18,119	$20,553	$32,050
Bituminous Coal (daily average, 1,000 tons)	1,809	1,868	1,700
Petroleum (daily average, 1,000 bbls.)	2,925	2,965	2,509
TRADE			
Car Loadings (all classes, 1,000 cars)	192	203	190
Check Payments (outside N. Y. City, millions)	$ 7,075	$ 6,235	$ 6,506
Wheat Receipts (1,000 bushels)	11,663	12,023	17,666
Cotton Receipts (1,000 bales)	521	454	527
Cattle Receipts (1,000 head)	316	297	380
Hog Receipts (1,000 head)	449	414	381
Wool Receipts (1,000 lbs.)	2,000	11,902	2,409
PRICES (Average for the Week)			
Wheat (No. 2, hard winter, Kansas City, bu.)	$ 1.25	$ 1.25	$ 1.05
Cotton (middling, New York, lb.)	.187	$ .190	$ .185
Iron and Steel (composite, ton)	$36.44	$36.52	$35.29
Copper (electrolytic, lb.)	.178	.178	.149
All Commodities (Fisher's index, 1926-100)	96.1	96.3	99.8
FINANCE			
Total Loans and Discounts, Federal Reserve member banks (millions)	$17,252	$17,142	$15,941
Commercial Loans, Federal Reserve member banks (millions)	$ 9,569	$ 9,564	$ 9,066
Brokers' Loans, New York Federal Reserve member banks (millions)	$ 6,761	$ 6,569	$ 4,525
Federal Reserve System Ratio	73.8	73.8	68.5
Stocks Sold (N. Y. Stock Exchange, 1,000 shares)	23,475	26,400	23,767
Stock Prices (N.Y. Times, average 50 stocks)	$303.53	$299.11	$204.98
Bonds Sold (N. Y. Stock Exchange, par value, thousands)	$60,496	$46,710	$53,056
Bond Prices (Dow, Jones, average 40 bonds)	$ 92.32	$ 92.30	$ 96.62
Interest Rates—Call Loans (daily average)	8⅜%	8⅛%	7¾%
Interest Rates—Time Loans (daily average)	9%	9%	7¼%
Business Failures (Dun, number)	360	397	437

The petroleum production rate fell off for the week but continues above last year's average. California production increased, while the Eastern field showed a decline. Crude oil prices are holding but gasoline continues to drop.

SEASONAL increase in marketing of farm products appears to be about as usual. Wheat receipts continued to drop off from the abnormal rate earlier in the season. Cotton receipts and ginnings are running ahead of last year. Farmers appear to be marketing their cotton fast without waiting for Farm Board plans or higher prices. Exports of both cotton and grain are still running behind last year. Wheat exports for the latest week were about 400,000 bushels below last year, while cotton ex-

ports for the week were more than 6,000 bales less than the corresponding week last year, and more than 30,000 bales behind for the season to date.

Prices show continued weakness. Though still above last year, wheat prices are unable to make any sustained gain and are steadily paring down the margin over last year achieved during the July rise. Cotton is just about holding last year's level. Copper continues on the horizontal with extremely slack demand and no sign of renewed buying in anticipation of higher fall industrial activity. Fisher's all-commodity index dropped slightly again for the week and is running about 3% below last year.

GENERAL trade indications are good. Total car loadings showed about the normal increase for the latest week, but the daily average appears to be somewhat lower than the week before and about the same as last year. Large increases in less-than-carload-lot and miscellaneous freight shipments indicate a good level of distribution.

Money turnover, measured by check payments, is still running above the preceding week and a year ago.

Business failures declined for the latest week and are considerably below last year's level.

Money and the Market

A WORRISOME week for Wall Street. Pessimists termed it the overdue inevitable. Necessity forced the hard pressed bulls to continue bullish. The thin ice of overbuying cracked badly under the market and the Street began to learn again how the cold waters of despair feel.

Rallies were attempted periodically but succeeded only in making the decline less precipitate. The decline was not selective; it took almost everything. It cannot be called a crash. Rather the market sagged, and never seemed to find sufficient support. Lessening of public confidence in the stock prices was probably the most important and most significant development. In fact, the averages showed little change. It was in the atmosphere of speculation rather than in the prices that a tremendous change was seen.

The news of the week was not encouraging. Call money continued tight, with prospect of further stringency. The London market was disturbed over the Hatry collapse and failure of a brokerage concern. The emphatic evidence of greater stringency in credit in the world is discussed on another page in an article dealing with the Bank of England and other central bank rate increases. Steel, automobile, and other industrial news did not make for optimism.

Rumors flew about the financial district in almost unprecedented number. They told of failures of large financial houses, of mergers, usual symptoms of an acutely nervous market. The stories weren't true.

For the first time in months the number of stocks making new low prices for the year or longer vastly outnumbered those making new high prices. Two examples were days when eight new highs were contrasted with 64 new lows and when 24 new highs contrasted with 50 new lows.

Call money fluctuated between 8% and 10%, tightening as the end of the month approached. As this month-end is also the end of the third quarter of the year, unusually large settlements will be made. The prospect is not one to encourage the money market. Time money officially remained at 9% but many loans were reported at 9¼%, evidencing no favorable view of the near future. Some withdrawal of British balances in connection with difficulties there did not help.

Foreign exchange was a bit stronger beginning Wednesday, and firmed up decidedly with the English bank rate increase. Canadian dollars had touched a very low point. Only the united front of Canadian bankers prevents gold from coming to the United States. The Bank of England lost £3,709,000 from its gold reserves. The Bank of France gained very slightly, and the Reichsbank but a little more.

The brokers' loan development provided another ominous cloud for the Street. Increase of $192,000,000 to a total of $6,761,000,000 for the sixth consecutive weekly new high record makes a total growth of $809,000,000 in the brief period. Wall Street generally expected a decline in the loans and was more nervous than ever at the total.

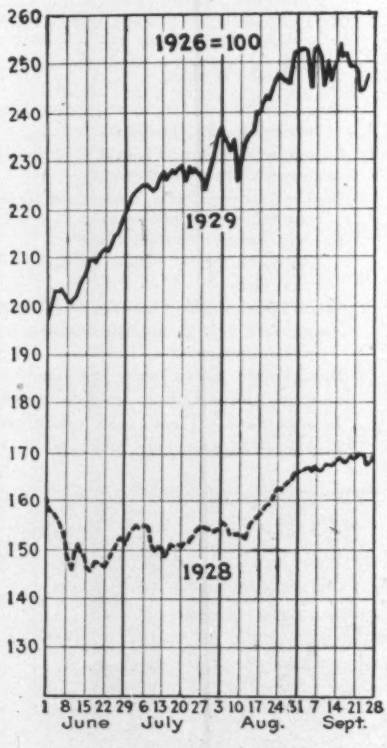
Entire increase in the loans was accounted for by lenders other than banks. Temporary loans by corporations accumulating liquid funds for month-end settlements may be one cause. A more depressing explanation is that the funds represent free balances resulting from widespread liquidation by investment trusts and other large market operators.

Statement showed a slight increase in Federal Reserve credit outstanding for the week, with the Reserve ratio unchanged. The system continued to buy bills at the rate of about $20,000,000 weekly and showed the same total for these holdings as at this time last year. Discounts rose by $11,000,000 while government securities in the system decreased as the September issue became more digested.

Gold imports of the week totaled $4,016,000, almost all of which came from London. The Federal Reserve gold rose in accordance, and totals almost $3,000,000,000. Federal Reserve note circulation showed a slight decrease. Borrowing from the New York Federal Reserve Bank increased but $5,000,000 in the week.

THE MARKET DAY BY DAY

(Standard Statistics Company's Daily Stock Price Index)



August Irregularities

MONTHLY production and trade figures for August so far available show that some uncertainty in the business trend was already evident last month. Allowing for usual seasonal changes from month to month and normal growth from year to year, here are some significant facts:

Pig iron production fell slightly from July to August, but was still about 20% above last August and 29% above normal. Steel ingot production also fell off in August, but was about 18% above last year and 34% above normal.

Bituminous coal production for August was slightly less than July and a little above August last year, but about 8% below normal. Anthracite production rose considerably in August but remained more than 10% below normal.

Cement output increased in August but remained below last August and was running about 28% above the normal trend.

Car loadings of merchandise and miscellaneous freight, which indicate something of general trade conditions, were slightly lower in August than in July and about the same as a year ago—only 2% above normal. Car loadings of other commodities, chiefly coal, grain and ore, were about 3% below normal expectations.

Exports in August showed a sharp decline for the first time since 1920 and were only at about the normal level, the same as the year before. Imports, however, were more than 10% higher than last year and over 20% above normal.

Department store sales were only about normal in August, though above last year, while mail order sales were nearly 40% above the normal trend.

Newspaper and magazine advertising were slightly below normal.

Business failures for the month were below last year but higher than in July and almost 10% above the trend of past years.

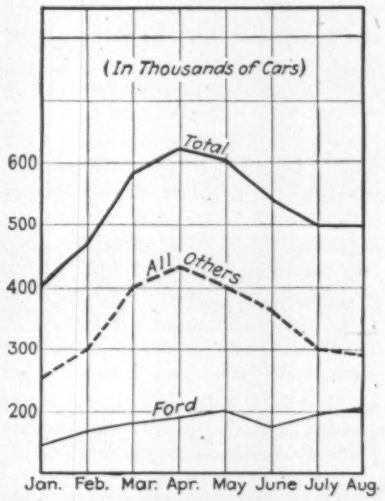
Although building contracts dropped sharply from July and were below last year, they were still running somewhat above normal expectation.

Automobiles Slow Up

REPORTS are that passenger cars in the hands of dealers showed a sharp increase in August. While production in the first weeks of September is believed to have held up, some falling off in output, even of Ford cars, is current. It has been estimated that with Ford accounting for approximately a third of the output of the industry thus far this year, the expected total of 5,500,000 units could be reached by Ford and Chevrolet alone at the present rate, without other manufacturers doing anything more.

Exports now have to take up the slack in domestic buying, although so-called foreign sales of cars are not all sales but mostly mere deliveries to foreign dealers.

AUTOMOBILE PRODUCTION FOR 1929
(National Automobile Chamber of Commerce)



In July domestic registrations of new cars (432,695) plus exports (55,545) fell about 12,000 short of the 500,000 produced in the United States that month.

August production in this country, according to official figures, was also just about 500,000. New car registrations in August are estimated by *The Annalist* at only 324,000, a decrease of 26% from July.

The saturation point in the automobile market has become a dry subject, but it is clear that in this field, as Leonard Ayres says, "obsolescence is the life of trade." Changes in styles and improvements in mechanical features in the past five years have had a pronounced effect in sustaining demand. Whereas in 1920 over 80% of passenger cars produced were open models, less than 10% of this type are being turned out today. In 1923 all cars had high pressure tires; today none. In 1922 all cars had two-wheel brakes; today practically all have four-wheel brakes. All we need now is four-decked streets.

Cars Instead of Cotton

THIS country passed a significant milestone in foreign trade this year. Our foreign trade used to be based upon agricultural exports. Now it rests primarily on machinery. Since the Civil War, cotton has been the main item in our export trade. This year it lost first place to the automobile. Exports of cars, parts and accessories for the first half of 1929 were valued at about $20 millions more than our exports of cotton. They increased 36.4% over the same period a year ago, while exports of raw cotton were nearly 14% lower in value.

During the first half of this year finished manufactures constituted 52.3% of total exports and increased 22.6% over last year, while exports of crude materials showed a decline of 10%.

The following increases in exports of certain types of machinery, which are now among the first fifty leading exports, show where the strength of our foreign trade lies: Agricultural machinery and implements, 33% over last year; electrical machinery and apparatus, 28%; power driven metal working machinery, 41%; construction and conveying machinery, 12%; oil-well machinery, 81%; and mining and quarrying machinery, 21%.

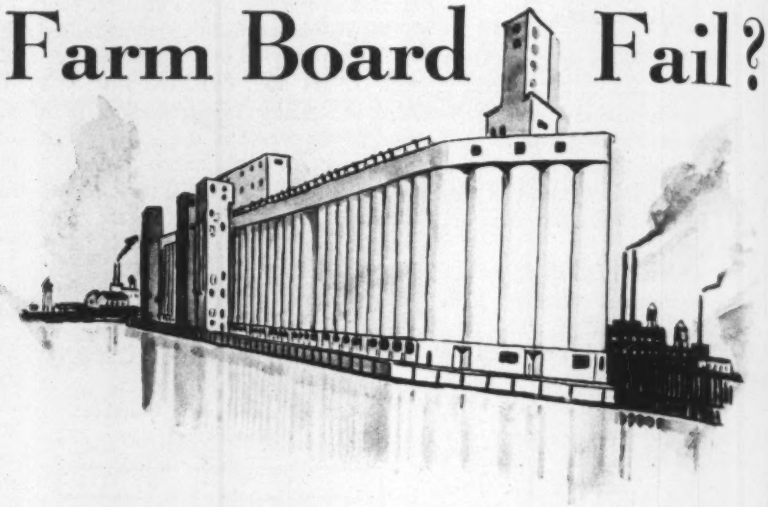
Perfectly Investment-Trustworthy

THE *Journal of Commerce* figures new securities offered during the week ended September 20 at $175,080,000, of which $39,930,000 were bond issues. During that week for the first time *all* the stock issues were of investment trusts. New public utility and industrial shares disappeared from the market.

The *Sun's* record is not so completely investment-trustful. It figures new security offerings at $259,214,500, of which stocks were $188,475,000, and of which in turn investment trusts were $182,550,000.

Did the Farm Board Fail?

America's greatest wheat grower believes it missed a great opportunity



THOMAS D. CAMPBELL, one of the greatest wheat growers in the United States, is critical of the grain situation, and, by implication, of the Farm Board. To THE BUSINESS WEEK he said:

"During my entire farming experience I have never known of a situation as unjust and unfair to the farmer as the grain storage situation of the past ten weeks. What has happened emphasizes more than ever how much we need a farm board, or some such agency, with both the will and power to look out for farmers' interests. And such a board must be ready and willing to act promptly and take great responsibilities.

"Our wheat crop this year is many millions shorter than in years immediately preceding. We have had storage space for bumper crops. Why, then, is storage lacking for this year's smaller one? To be sure, good weather and speedier harvesting by combines have hastened the grain to market. All but 100 million bushels of the Northwest's entire crop was marketed before the end of August. Elevators in Minneapolis, Duluth, Kansas City, and Chicago have been crowded to capacity, I admit. But wheat there is not farmers' wheat. Most of it belongs to cash grain men who control the lion's share of elevator space at the principal grain terminals. For weeks high-grade cash wheat has been selling at unheard of discounts. The last week or two in August any man with elevator space could buy cash wheat and go short on September wheat at the same time, and make a clear six cent or eight cent profit for carrying grain only a few days.

"A SMALL amount of assistance by the Farm Board right now toward withholding from market grain still in farmers' hands would send the price up twenty cents a bushel or more. Considering that conditions in Canada have never been so serious as this year, wheat should sell fifty cents higher before another crop. Reliable experts tell me that the government will have to furnish seed next spring for a great portion of Saskatchewan.

"I have never known the farmers of the Northwest to be in such a spirit of revolt, and I have never known of conditions which so justify it. It is a reprehensible condition when producers of wheat cannot buy their portion of available storage space, when they are willing to pay for it. Railways and railway terminal elevators must be to some extent under the jurisdiction of the Interstate Commerce Commission. Some provision certainly should be made whereby the public can have access to storage somewhere.

"THE situation emphasizes more than ever the need of the Farm Board, and of additional storage on the farms or away from terminals. It is hard for me to believe that storage was as scarce as was represented. The fact that the grain moved quickly did not increase the size of the crop or reduce the storage capacity. Cash wheat sold during the month of August at from five to eight cents below the September future, all because the farmer had to sell and had no storage.

"Ultimately, the Federal Farm Board will do immense good. I consider the appointment of Mr. Legge one of the best appointments that President Hoover has ever made. I think the Board missed a great opportunity to do a big thing for the wheat farmer this year, but it will be effective next year. The farmer needs storage and assistance to hold his wheat and the Farm Board is willing and able to do this. Co-operative storage will do as much good as co-operative marketing. It took many years to get the Farm Board established and we cannot expect it to function immediately. President Hoover promised the farmers a well-established form of farm relief and was courageous enough to oppose the debenture plan. The Federal Farm Board is the result, and it will accomplish more towards the solution of this great economic problem than has been done for many years."

MR. CAMPBELL is America's leading exponent of industrialized agriculture. He operates a 95,000-acre farm in Montana, employing only one hundred men at a minimum wage of $5 a day. Machines do the work; the men work the machines. Everything is systematized; long trains of wagons are hauled by tractors back and forth across his enormous acreage on time-tables as closely followed as are those of the railroads.

★ ★ ★

As agricultural adviser to the Russian government, Mr. Campbell recently entertained J. Kalmanovitch, head of the Soviet grain trust, who spent several weeks inspecting American farms. Mr. Campbell went to Russia last year, and upon his advice the Soviet government has announced that it will buy $400,000,000 of farm machinery and $100,000,000 of roadmaking machinery, chiefly in America. Government projects aggregating 30,000,000 acres are planned, to be operated in 100,000-acre units. Mr. Campbell believes that Russian wheat production this year will compare favorably with America's.

You can *buy* time or you can *save* time by investing this way

A busy executive buying an airways ticket is really *buying* time, for he must pay extra for the hours saved by these fleet pullmans of the air. The pressure of modern life gives rise to many ways of saving time —some you pay for, others are yours for the *asking*. On your investments, for example, you can save hours merely by *asking* The National City Company to put you in touch with its world-wide investment service. Call our nearest branch office. One of our experienced investment advisors will be at the other end of the wire to study your needs, help you check over your present holdings, or suggest new purchases from our widely diversified lists of securities—all thoroughly investigated by our economic experts.

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OFFICES IN 50 AMERICAN CITIES, INTERCONNECTED BY 11,000 MILES OF PRIVATE WIRES. INTERNATIONAL BRANCHES AND CONNECTIONS.

The House of Morgan

Why It Endures and Ever Grows Greater—A Lesson for American Business

IT is a material age. An age of organization. Only vast anonymous entities are big enough to cope with a single commodity, let alone one given field. Yet the greatest prestige in the United States still belongs not to giant concerns but to individuals.

America is not yet exclusively a land of companies. It is really still predominantly a country of men. If one could ask some great foreigner with a world view of things, a man with the necessary capacity, position, and historical background to confide what he thought of first when he looked at all the United States represents, it is probable that this omniscient sort of man would reply off-hand by naming a few men. Who are great men? Our eminence is material, for the present, at least. They would be men of affairs.

There would be Henry Ford, doubtless, for he is his own vast concern. There would be John D. Rockefeller, Jr., representative in supreme of a tradition, of a great accomplishment, of a new view of wealth. There would be Andrew W. Mellon, the great man of business devoting his age to the State. But standing out beyond any of them together in world significance, would be a man who has no company, who is not among the richest men in the world, whose associates and employees are numbered by a little, modest group rather than by armies, a man whose prestige is uniquely that of leadership—J. P. Morgan.

WHY is it that in a country given to changes and fashions as is no other, a single name should dominate the front page today as it has for sixty-five years past? How is it, that a single house of banking, unincorporated, representing the financial leadership of the greatest of financial nations, should quite simply carry on the most ancient of traditions, that of heredity from father to son and to grandson and, so far as we know, to other great grandsons?

In a sense it might be said that the predominant position of the House of Morgan before the United States and the world represents the persistence of a conservative view of finance. In no other country of the world is there a private, unincorporated establishment, responsible only to the extent of the private fortunes of its members, that even attempts to play such a large rôle. British banking, domestic and imperial, is dominated by gigantic branch-banking organizations, five of them, compared to which the old-line private banking houses are now pygmies. On the Continent, at Paris, Vienna, Brussels, Frankfort, the great nineteenth century House of Rothschild has evolved into a sort of international chain of investment trusts, merely reinvesting the large personal revenues of the descendants of the seven famous gentlemen of Frankfort. The Rothschilds clearly led in European banking from the fall of Napoleon until after the Franco-Prussian war, some sixty-odd years. The House of Morgan has pretty clearly dominated American banking from about 1864, at the close of the Civil War, until the present day, sixty-five years of time during a period when the pace of life was immensely faster than at any other period of similar length in the history of the modern world.

In another sense, and it is just as significant a sense, it may be said that the Morgans are and have for a long time been leaders in radical banking. The irony of the old adage—"the same old conservative policy but no business"—was never applied to them. Ever have they moved with the times, if not, indeed, ahead of them.

When the house really emerged in all its grandeur, during the panic of 1893, with the late J. Pierpont Morgan at the helm, it struck out on a new line. Until then it had financed governments primarily, railroads secondarily, and that was all. Other matters were not only too small, but undignified, unworthy of such a great name at the bottom of the offering circular. But the new Morgan of that time, super-educated, sensitive, imaginative, brought more than mathematics and artistic culture to his profession. He brought initiative and audacity.

He was in himself the greatest force of that remarkable time when most of the great family-owned prime industries of the country were made over into trusts of alarming dimensions. As a dreamer of combinations and as a bold negotiator and executioner of programmes of expansion he was totally without a peer in his own time and, perhaps, in ours.

It is important, vital, in an hereditary, aristocratic line that each illustrious son should surpass his illustrious father in the dominant possibility of the era. The great hereditary soundness of the Morgans comes out here, for just as J. Pierpont Morgan was a more powerfully audacious individual than Junius S. Morgan, in line with the necessities and possibilities of a boom period, so the present J. P. Morgan is a far larger-scale banker than his eminent father. In no instance has this old house fallen behind the times.

There is no kind of a promotion in which the House of Morgan has not figured. Its range is literally from saving the Allies to financing mergers of groceries and confectionery. So long as the thing itself is sound, Morgan will compete for it in the open market against the lesser and younger houses. It has literally no contempts. It is up to the minute.

PERHAPS it is natural that countless legends should have grown up about the personal side of the men who have developed such a unique institution. Most of these legends are myths.

J. P. MORGAN

He hates the camera almost as much as did his father. This is the newest picture of him, on the deck of the Mauretania, looking at the shores of England

For example, legend has it that J. Pierpont was a brute, a great towering, thundering, roaring monster who literally scared his opponents and his associates to death. Nothing was farther from the truth. He was essentially a timid man all his life. It so happened that he was not very good to look upon. Mr. Morgan was sensitive about it. Doubtless some careless person let him know that people spoke of it. His was no more a deformity than Roosevelt's teeth or Hughes's whiskers, but this sensitive gentleman, strictly brought up to the aristocratic manners of England and the Continent, became so self-conscious that he would not venture in public except upon important occasions for fear of being stared at. Such a terror of the public is understandable in a scholar—he was a mathematician—an aesthete, and the most private of private gentlemen living in a time when it was not taken for granted that because a man was an important banker he need be a conspicuous public character.

Similarly, legends have grown up about the aloofness, the haughtiness, the coldness of the present Morgan. Again, nothing could be farther from the truth. He is joviality itself, English joviality of an aristocratic warmth, as comes to him naturally from his long youthful residence in that country, but nevertheless a fine, hearty, wholesome joviality. It is contrary to his taste to be plagued publicly about what he considers private matters and it was only of late, upon his return from the conference in Paris about the proposed International Bank that he greeted reporters and photographers in an open and good-humored manner, precisely because to his mind they had a right to ask him about what was essentially a public matter of state rather than a private matter of finance.

THE outstanding psychological characteristic of the Morgan line has been shown to the same degree by the son as by the father. It may best be described as an inherent distaste for, or even distrust of financial talent, that quality of brilliant virtuosity which is ordinarily labelled as genius.

Probably the only true quotation that ever got into the press from the silent Pierpont Morgan was a little phrase to the effect that he thought himself "a poor judge of talent but a fair judge of character." It is precisely character, not talent, which the Morgans have sought in their partners. There have been no spectacular persons among them, no original thinkers, no audacious creators of new forms. Such is not the tradition and such is not the tone of the house.

This is not equivalent to saying that Morgan partners are stupid men or mediocre bankers. They are well-trained, competent, sound bankers, but above all they are men of the highest and strictest honorability according to the Connecticut ideas of honor. It was not for nothing that the Morgans took root at Hartford and graduated from that hard school of the early insurance institutions to invade the metropolis. A man like the late Mr. Harriman, or the present Mr. Dillon, or the later Mr. Giannini, would be simply inconceivable as a Morgan partner.

To appreciate the very special nature of the leadership exercised by the House of Morgan, one must bear in mind that as a business it is of secondary importance. There is more than one financing institution in Wall Street which does a far larger volume of business in the marketing of securities than Morgan & Co., not to mention the institutional banks themselves. Neither does Morgan always lead in the origination of issues.

His power is really a spiritual influence rather than a material force. He has a following which is personal, the result of moral forces. Morgan leads but does not own, just as the King reigns but does not govern. The so-called Morgan banks and Morgan houses are not in the least dominated by him through ownership or interest. They follow him out of respect and tradition, just as the State Department will listen to him when it would not seek the counsel of any other man.

That the country should trust him to this degree indicates clearly the instinctive respect in which it holds the prime qualities which have uninterruptedly shone from the historic corner of Wall and Broad streets,—a Connecticut severity in honor, a broad common sense in practical judgment, a sturdy optimism about the future of the United States seen with the long view of the statesmanship of finance.

Plugging Profit Leaks

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Addresses: Envelopes, Circulars and Post Cards. Fills-in Letters. Speeds out Announcements, Booklets, House Organs, Catalogs, Bulletins, Price Lists. Provides systematic "Customer Control". ☐

RECORD-KEEPING
Heads up: Statements, Cost keeping records, Inventory records, Personnel forms, Ledger pages, etc. Completely writes Trust statements — addresses Credit advices and other bank forms. Writes Tax rolls and Tax bills. ☐

ROUTING
Lists: Driver's route sheets and Call lists. Imprints names, addresses and data on Laundry slips, Bundle tags, Driver's receipts, Newspaper bundle labels. ☐

IMPRINTING
Imprints: Booklets, Blotters, Mailer strips, Short messages on postals, Wrappers, Folders, Swatches. ☐

SHIPPING
Addresses: Bills of lading, Route sheets, Labels, Shipping envelopes, Way bills, Tags, singly or in gangs. ☐

COLLECTING
Fills in: Bills, Collection letters, Follow-up notices, Installment collection forms, Meter-reading forms, Premium notices, Public service bills, Receipts, Statements. ☐

DISBURSING
Imprints: Dividend checks, Pay-checks, Pay-roll sheets, Pay-envelopes, Pay-roll receipts, Stock holders lists, Voucher checks. ☐

SCHEDULING
Writes: Production orders, Progress records, Schedule cards, Routing tickets, Requisitions, Cost forms, Piece worker's Time Tickets, Coupons, Vouchers, etc. Imprints Order schedule forms, Heads Tickets, Tags, Labels, etc. ☐

MAILING
Lists: Mailer strips. Imprints addresses on margins of Publications. Addresses Publication envelopes and wrappers. Addresses church and lodge Announcements, Notices, Bulletins, etc. ☐

IDENTIFYING
Embosses or Indents: Metal directory plates, Machine name plates, Motor name plates, Employes' badges, Shrubbery tags, Cream can tags, Metal shipping tags, Metal labels. ☐

PLICATING AND PRINTING
duplicating or ink printing - Complete letters, ice lists, pamphlets, folders, letter- in one or two colors me operation. ☐

More than an Addressing Machine

Addressograph
TRADE MARK
PRINTS FROM TYPE

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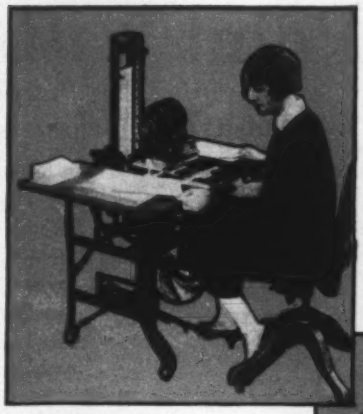
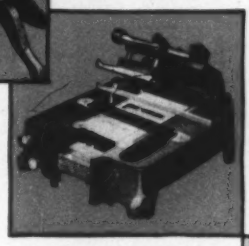


Model F-2 Electric — $365. Handles name and data writing on all forms thru a ribbon, 2,000 to 3,000 an hour. Other electrically operated models from $275 up. All prices f. o. b. Chicago.



Model H-3 — $75. Imprints names or data, 1200 to 1800 impressions an hour! Other hand operated models from $20 to $105. All prices f. o. b. Chicago.

WATCH the small leaks in business! When allowed to grow they carry away the hard earned profits of your business.

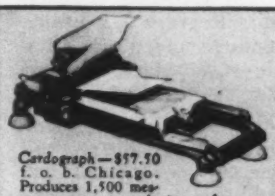
No business today, from the smallest to the largest, can afford the tremendous cost of pen and pencil methods. Office clerks working against time means costly mistakes. Typists swamped with lists of names and standard data to write means delays. Operations being held up because of delayed and inaccurate information means high costs.

Any successful business heeds the slogan, "Get it done—*quickly, efficiently, economically!*"

Visualize for a moment every department of your business. There is a *machine* that will do an important part of the work in those departments 10 *to* 50 *times faster than hand methods without the possibility of an error!*

Study the list on the opposite page. It will disclose an amazing number of ways in which Addressographs will reduce expense, save time, eliminate errors and produce profits in *your* business.

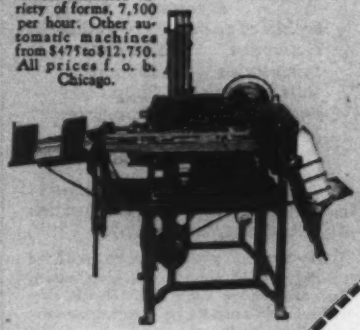
You will find the Addressograph representative qualified to help you reduce the cost and speed the work of writing names and standard data on your business forms and communications. He will recommend the type of equipment best fitted to your individual requirements. Or mail the coupon and detailed information will be sent to you.



Cardograph—$57.50 f. o. b. Chicago. Produces 1,500 messages on post cards in an hour — through a ribbon. Also imprints standard data on forms, etc.

Dupligraph—Leased at $65 per month. Prints complete letters with name, address, salutation, date and signature —all at one operation — through the same ribbon. 2,000 completed letters per hour!

Model A-4 — Automatic Feed — $1,975. Imprints an almost unlimited variety of forms, 7,500 per hour. Other automatic machines from $475 to $12,750. All prices f. o. b. Chicago.



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Mail with your letterhead to

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Please advise how Addressographs will increase my sales and reduce my operating expense.

9-29

Faithful

THE Egry COM-PAK Autographic Register is a useful and dependable burden-carrier for any business, whether it be the modest retail store or the huge industrial plant.

Faithfully, it shoulders the responsibility for masses of detail that men would find a mean and arduous task, liable to costly errors by any other method.

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Labor time records — Sales
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—only bent wood spoon factory in world.

LEXINGTON, MISSOURI
—hand-made handkerchief center of America.

CENTERVILLE, IOWA
—largest stump-puller factory in existence.

AMESBURY, MASSACHUSETTS
—makers of "finest automobile bodies in world."

CAMDEN, NEW JERSEY
—"makes everything from a pen to a battleship."

HATTIESBURG, MISSISSIPPI
—"neither deaths nor prostrations from heat or cold."

BOISE, IDAHO
—never a heat prostration, either; nor a destructive storm.

TOPEKA, KANSAS
—largest creamery, poultry and egg packing plants in world.

AKRON, OHIO
—rubber center; also largest fishing tackle factory in U. S.

WESTFIELD, MASSACHUSETTS
—the "Whip-City," supplies more than 95% of all whips.

GRAND FORKS, NORTH DAKOTA
—"All-American Turkey Show," held annually, largest of its kind.

HARTFORD, CONNECTICUT
—the oldest newspaper in America; two largest typewriter factories in world.

URBANA, ILLINOIS
—biggest single campus in U. S., if not in world, at Urbana and Champaign.

DULUTH, MINNESOTA
—Duluth-Superior harbor largest inland port in world; second in tonnage in America.

KEY WEST, FLORIDA
—former pirate rendezvous; now has only green turtle soup canning factory in existence.

FREDERICKSBURG, VIRGINIA
—produced the first millionaire in U. S., and "will gladly cooperate to produce others."

HAMILTON, OHIO
—manufactures three-fourths of all safes and bank vaults; largest heavy machine tool plant.

BUTTE, MONTANA
—sits on top of richest hill in world; greatest of all mining camps; leading copper and silver producer.

PICHER, OKLAHOMA
—"Wonder City"; "romantic history, wealth, growth and achievements unsurpassed even by the Arabian Nights."

SANTA CLARA, CALIFORNIA
—largest green fruit packing house, largest dried fruit packing house; one of largest fruit canneries in world.

GRIFFEN, GEORGIA
—largest pimento packers in world; from 2,000,000 to 6,000,000 eight-ounce cans annually, depending on size of crop.

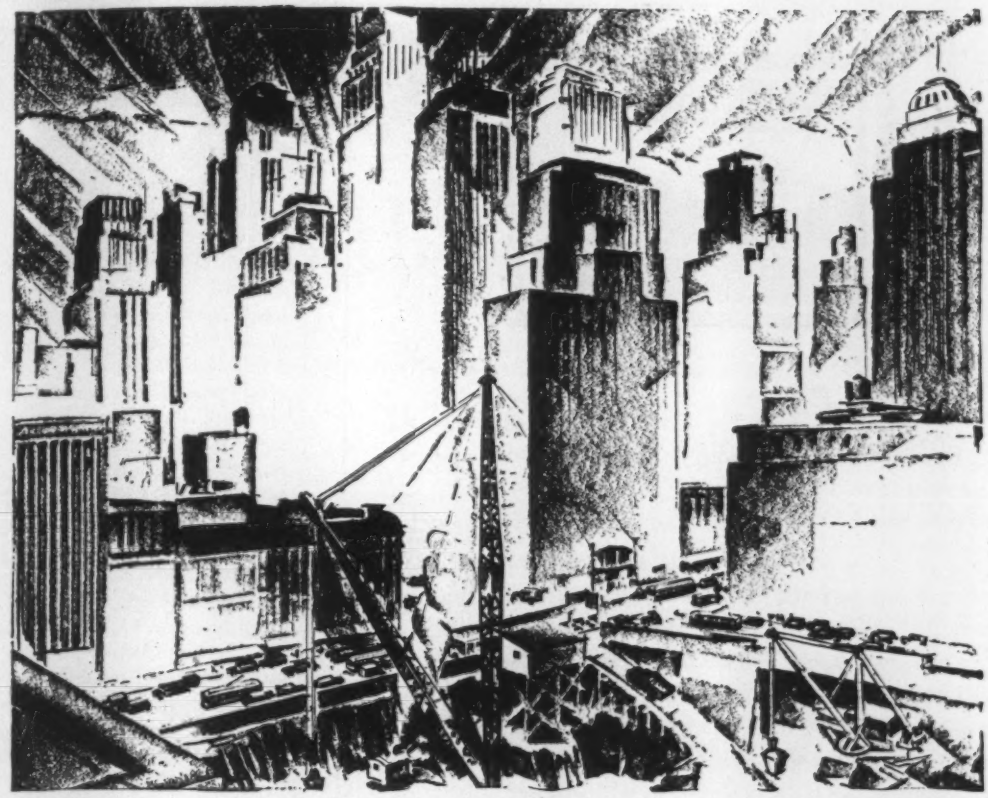
FALL RIVER, MASSACHUSETTS
—leading cotton textile center in U. S., having one-ninth of all spindles; also largest cotton cloth printing plant.

BURLINGTON, NEW JERSEY
—"Garden Gate of the Garden State"; capital of Burlington county, with largest acreage of peach trees of any county in world.

CRAWFORDSVILLE, INDIANA
—"famed abroad as literary center. Home of Lew Wallace and Maurice Thompson and his gifted brother Will. Meredith Nicholson born in house now standing on Walnut Street."

PATCHOGUE, NEW YORK
—high bleaching quality of local brook water one reason for largest lace mills in country here; water so pure that it can be used in batteries instead of distilled water.

INDIANAPOLIS, INDIANA
—largest inland city not on navigable water in U. S.; greatest "drive-in" hog market; greatest motor speedway in world; largest plant manufacturing paper pulleys and shock absorber factory.



Deeper and Broader Foundations for the Rising Skyline of Business

Throughout the cities of America new giants of steel and concrete soar skyward. They symbolize the marked trend toward size in modern business, and typify the economic development of our country.

Fear of size, generally, has been replaced by its acceptance as a mark of an economically adjusted enterprise. This trend toward size makes necessary broader and deeper financial foundations for expanding industry and commerce.

The consolidation of The Seaboard National Bank and The Equitable Trust Company brings to the service of their clients a more deeply entrenched foundation in resources and banking experience. On this foundation the established business of today as well as the coming business of tomorrow can rely for their growing needs.

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OF NEW YORK

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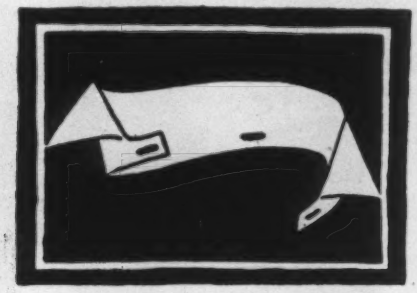

Gone are the banker's burnsides and the directorial whisker. The flat-topped bowler, the executive white waistcoat, no longer grace the Board Room. Business has laid aside the wing collar.

Externals, these, and unimportant, save as "outward and visible signs of an inward and spiritual change." For business, once solemn and heavy-footed, has acquired *savoir faire.* The declaimer and the desk pounder who would "crush competition" have given way to the business diplomat who has less of pose and pomposity and more of purpose and vision, who is important without being ponderous, and serious without being solemn.

▼

Coming at this time, it is natural that The Business Week should personify this changing viewpoint. The mirror, rather than the chronicle of business, it reflects a mood, and its attitude is influenced by the attitude of business toward itself.

Thus, The Business Week has seriousness of purpose without solemnity of mien, and a dignity independent of externals. It keenly feels the importance and high aim of business, but it sees no reason to wax oratorical about them. It believes that it is possible to be informative *and* entertaining.

▼

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How Britain Woos Trade

WHEN England has pressing need for a really great diplomat, she drafts him. Perhaps the most conspicuous civilian to be mobilized, since the war, is Lord D'Abernon, scholar, banker, negotiator, author. At Constantinople, where he built a great career in finance, he was Sir Edgar Vincent. He knew Germans, in banking, in commerce, in railroad promotion and building. Immediately after the war he was sent as Ambassador to Berlin. He started out to make peace, real peace. In a couple of years he had the new German Republic lined up with Britain against the Little Entente.

Lord D'Abernon turned up recently at Buenos Aires. His object was, admittedly, to put England back as the chief financial and commercial purveyor of the great Southern republic. In 1913 the United States furnished 14.7% of Argentine's imports and Great Britain 31%. In 1927 the United States furnished 30.8% and the United Kingdom 19.7%. During the same period our investments in the country grew from less than $100,000,000 to $500,000,000, whereas Britain's investments increased only from $1,700,000,000 to $2,000,000,000.

The English have shown uneasiness. They have made it obvious by stockholders' votes in the two chief English railroads of the country. Shareholders decreed that no one but Britishers or Argentineans could sit on their directorates. Further, they limited stock ownership by "foreigners," meaning Americans, to 20%. American penetration was being held up by typical D'Abernon moves.

However, there is nothing sinister about his visit, no more than there is about his personality. He is joviality itself, the least English Britisher since Cecil Rhodes. He rarely sports a dinner-coat. At Buenos Aires he was in luck again; he found that the American Congress had made his job of love-making to the Argentines so very much easier by proposing to raise by large bounds our import duties on Argentine products. D'Abernon designed an important reciprocal credit compact which he cleverly put through with President Irigoyen.

D'Abernon smiled his famous whiskered smile, felt secure in his great diplomatic scoop, left legality to the courts and the handling of Congress and Cabinet to his friend President Irigoyen.

MacDonald Goes Straight to the Point

Therefore Premier and President will talk Business as well as Navies

RAMSAY MACDONALD—"Good Old Mac," they call him in labor circles in Britain—has something American in his method of direct attack. When anything goes wrong with Anglo-American relations—armaments, or what-not—he promptly proposes to come right over to Washington and discuss it across the supper table with the other man chiefly concerned—H. Hoover.

MacDonald has travelled more about the world than any other European statesman of today. He was the first British Premier to attend a meeting of the League of Nations Assembly. Trips to the United States, India, Canada, the continent of Europe, have become commonplaces for him.

True, he has never undertaken anything quite so strikingly bold as this Washington excursion, but it is evident from his record that the gentleman is not lacking in courage and daring. Only last week the City of London, most Conservative stronghold in old England, decided to give this tall Scottish Labor Premier the Freedom of the City in recognition of his courageous record.

Right now it is a good thing the Premier is taking direct action in diplomacy. Anglo-American relations—poor hard-worked phrase!—had drifted into a pretty sad condition under the Baldwin and Coolidge system of indirect action. Notable was the instance of the Geneva Naval Conference when admirals and diplomats messed about with explosives in most dangerous fashion. Taking this and similar events into account, the net result of the past ten years of "our joint victory" has been that the British have been irritated with us almost beyond words.

They have felt that there is a rank injustice in the settlement of international debts; they have been sore because of our steady encroachments on their foreign trade, based largely, they think, on the great opportunity which came our way during the early years of the war when they were in it and we were not.

And as regards our own home market, they simply can't figure out how the deuce they are to pay increasing sums on their debt annuities and at the same time climb over the steadily rising tariff wall to deliver the goods. So our stock has gone down steadily in Britain.

IN sharp contrast our opinion of John Bull had steadily risen, except for the Geneva affair. Unlike other nations they came right up to the counter and started paying their war debts after they were unsuccessful in getting an agreement on general cancellation; they settled the Irish question on a basis that was undoubtedly generous though tardy; their staunch pride held them on the job while they pushed the pound back up to par at a terribly heavy cost to them.

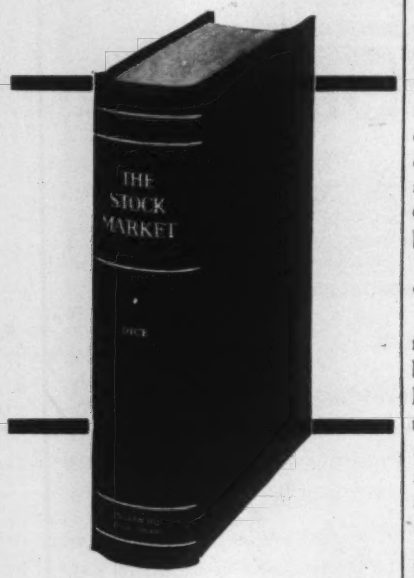
All this situation creates pressure for a get-together—a face-to-face meeting of Premier and President.

In addition to the urgency of the case and MacDonald's habit of direct approach, the British Premier's visit is actuated by another powerful, and personal, motive. He is a sort of pacifist. From the very outset of the war MacDonald was strongly opposed to Britain's participation. In 1914 he had been the leader of the then small Labor Party in the House of Commons. His war stand cost him his seat and drove him into the wilderness. He disappeared from 1914 to 1919. Then he was elected to Parliament, returned to the leadership of his party and advanced right up to the Prime Ministership in 1924, a truly astonishing reversal of fortune, and a remarkable tribute to British tolerance. His pacific ideas are just as passionate today as they ever were, and they provide drive enough to carry him to Washington.

What a contrast—MacDonald and Hoover, the politically and socially minded Scot, dreamer, sentimentalist, orator; and the efficiency minded American, engineer-administrator—each thoroughly representative today of his people.

Let us look at this visit from another angle; it is an outward recognition by Britons of the fact that Washington is becoming the center of the English-speaking world. A number of plain-speaking Britishers for five years have been telling their people they must face the fact that the 42,000,000 inhabitants

Profit with Market Changes



The Stock Market

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of two small islands on the edge of Europe have had a remarkable effect on world affairs for some hundreds of years, in fact have had an importance quite out of proportion to their small island's resources. Now the time has come when—although the British will continue to be vastly important in world affairs—the United States, Germany, Canada are in the picture and steadily becoming more bulky.

"GOOD old Mac's" visit is a courageous facing of this fact. There is nothing to suggest that he is anything but friendly to the United States; nor is he afraid of us. He simply knows that the United States is the wealthiest and most powerful nation in the world today and Great Britain is next. Incidentally he probably knows what few people are aware of, i. e., that Great Britain is wealthier today than she has ever been before.

MACDONALD'S bold move is for its effect at home. Briand's manœuvres on the Continent make it desirable Britain should warm up to us. We are willing; so is the Premier. But the British public needs to be swung 'round.

In the discussions around Briand's proposal for a United States of Europe, English spokesmen have been reserved. Britain cannot sacrifice her Empire program for a European Union. The trip to Washington emphasizes the British adherence to the English-speaking world and the loosening of the too close Anglo-French entente. In fact it emphasizes Britain's world-wide relationship—interdependence and independence. That is why Britain, under the Labor Party's leadership, modified by an important Liberal element, is surely turning back again to her traditional free trade allegiance.

If so, we have another striking contrast—freer trade Britain and higher-tariff America. What an interesting little race in world trade will be provided by these two! Even though we are gaining on the British in the sale of manufactured goods overseas, they still hold the lead. If you take into account the fact that there are 2½ times as many of us as of them, their leadership is striking. With all this in mind, thinking people may ask in connection with the Washington meeting: which will survive the test of time, free trade or protection?

Supposing that the visit is successful in its immediate objective and a reduction in armaments results—and surely these two great chiefs will not rest until a reduction is made—the economic effects will be far reaching. Less money will be needed for taxation for unproductive war purposes and more money will be available for productive enterprise.

One outcome of the visit which would produce reaction after reaction should be a better understanding between John Bull and Uncle Sam. Among other things, maybe the British press will proceed to print more and better news about America as a result of this visit.

Also if the British get better news of us as a result of the publicity spur of the Washington visit, and a better feeling does result between the United States and the United Kingdom, there should be better trade in American goods there and in British goods here.

It may be that this politically minded Briton will leave with us some of his high political ideals—a respect for law and order—and in exchange take back some of our best Fordized schemes for making quantities and quantities of cheaper and cheaper luxuries for the British working man.

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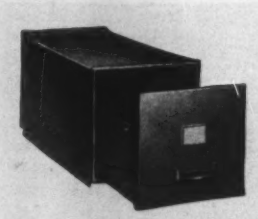

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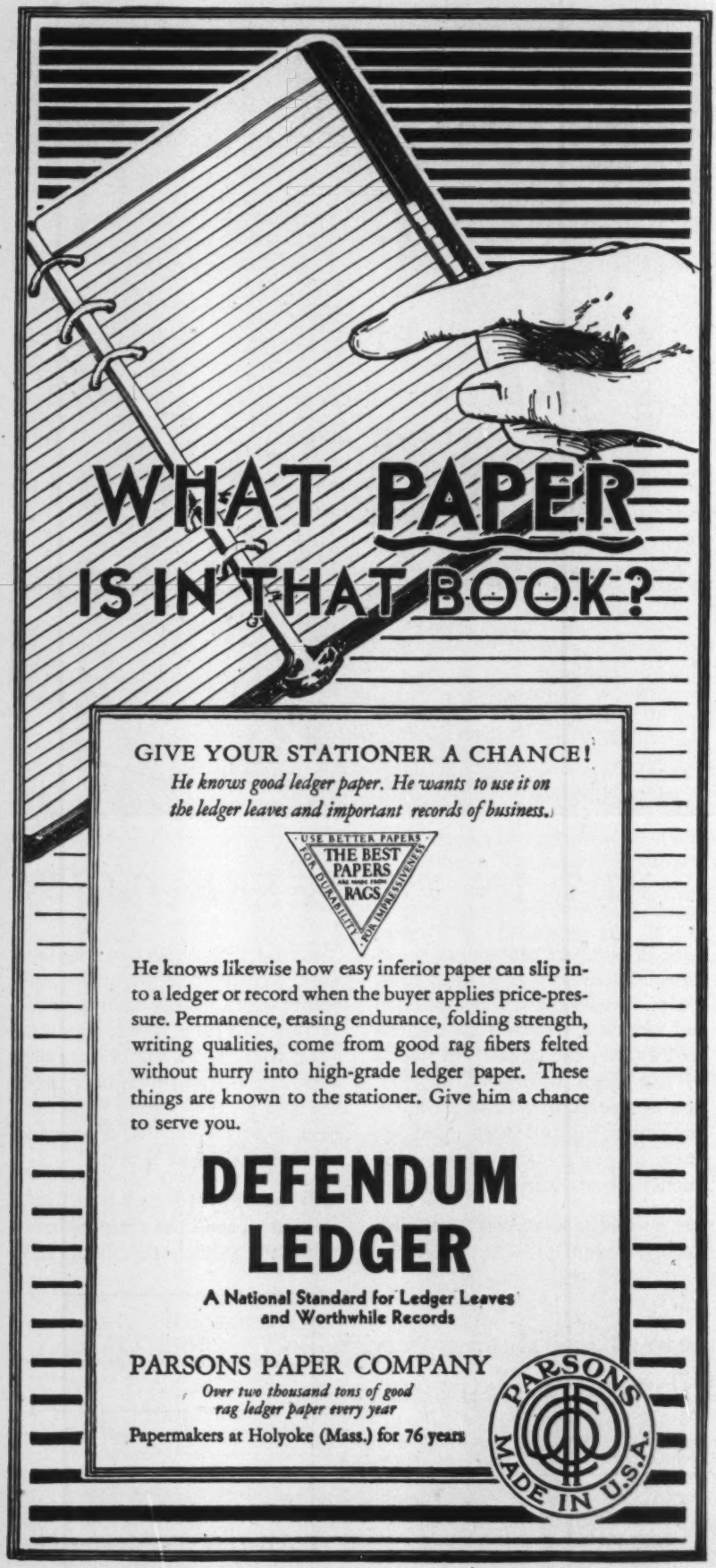
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Wide Reading

WHITHER AMERICA? Walter B. Pitkin. *Forum*, October. Sees us headed for war between Quantity of Cash and Quality of Culture—and then the First Civilization. Stimulating, fresh.

WHEN A MAN GOES STALE. *Printers' Ink*, Sept. 19. Wives are to blame. Executives must manage their leisure as well as their business.

NINETEEN YEARS IN THE POISONOUS TRADES. Dr. Alice Hamilton. *Harper's*, October. Guide-posts to improve labor conditions—deplorable in certain trades. A warning to indifferent management.

HIGH WAGES AND SHORT JOBS. Dean Chamberlin. *Atlantic*, October. Bread and butter facts about labor in the crafts.

SOME ASPECTS OF THE GRAF ZEPPELIN'S FLIGHT AROUND THE WORLD. Captain Sir Hubert Wilkins. *Aviation*, Sept. 21. Airship *vs.* airplane for commercial use.

MAY I ASK . . . ? James Truslow Adams. *Forum*, October. Another critic is worried over our inability to adapt ourselves to the new leisure.

NOISE: A SOCIAL PROBLEM. H. M. Johnson. *Harper's*, October. Strikes at a lot of the propaganda about noise and suggests the law—always effective at creating startling facts and prejudices—as a new laboratory.

BOOKS

HOW TO TURN PEOPLE INTO GOLD. Kenneth M. Goode. Harper, 229 pp, $3.50. Considers the relation of growing costs of distribution to decreasing costs of production, and of both to the purchasing power of the American consumer. Our present selling methods are of 1812; business men think backwards; many people receive less than a minimum living wage; Wall Street is piling up money and credit more rapidly than there is a basis in production.

RETAIL CREDIT PROCEDURE. Norris A. Brisco. *Prentice Hall*, 334 pp, $5. Sets the pace on reasonable credit methods for retail merchants and gives clear statement of present knowledge of the subject.

EDISON: HIS LIFE AND INVENTIONS. Frank Lewis Dyer, Thomas Commerford Martin, and William Henry Meadowcroft. *Harper*, 2 vol., 1036 pp, $10. A revised edition of the standard life of Edison, brought up to date; commemorates the fiftieth anniversary of the invention of the electric light.

RETAIL TRADE MORTALITY. Edmund D. McGarry. University of Buffalo Studies in Business, No. 1. University of Buffalo Bureau of Business and Social Research, 67 pp, $1.25. During one decade 60% of all the new independent grocery stores in Buffalo lasted less than 12 months; 44% of the independent shoe stores and 35% of the hardware stores did not last one year. Four leading retail trades are analyzed.

SKYSCRAPERS AND THE MEN WHO BUILD THEM. Colonel W. A. Starrett. *Scribners*, 339 pp, $3.50. Deals with architecture from the viewpoint of one of the most successful builders in America.

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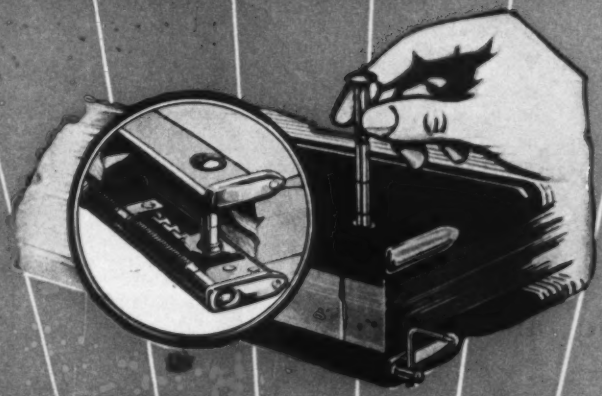

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AT last a binder has proved itself so dependable in service that it can now be guaranteed. Here is positive proof that Flexi-Post is the outstanding binder of the day, for it is the only one backed by a sweeping guarantee. A bond that gives absolute assurance of lifetime service from the exclusive Flexi-Post principle of flexible link posts that disappear — that give Flexi-Post binders their capacity to outwork several ordinary binders.

Mechanism Guaranteed for Life

—against failure due to any cause whatsoever. That means that every Flexi-Post advantage is a *permanent* advantage—unlimited capacity, flexibility for present and future needs, direct screw compression, constant security for sheets, two inches of working space, and posts that can't scratch the desk . . . Only Flexi-Post gives all these features — these bonded, lifetime advantages — which your supply dealer will gladly demonstrate.

STATIONERS LOOSE LEAF CO., *Milwaukee, Wisconsin*

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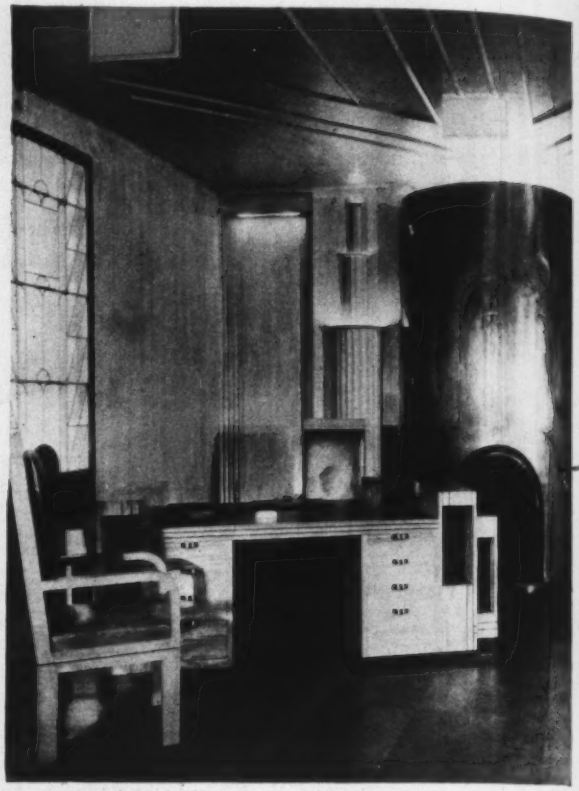
Name.....
Address.....

Modern Art in Business

▼

Is it modern? Is it art? Is it here to stay? What shall we do about it?



Designed by Joseph Sinel for International Ticket Scale Corporation

WHAT of modern art and its relation to business? A lot of it is neither art nor modern; it is grotesque and impractical. But enough of it is both art and modern to indicate clearly that a radical change is upon us in our ideas of color and design; that our business buildings, houses, interiors, decorations and furnishings will be different hereafter. In almost every phase of culture the new art is making itself felt to a greater or less extent.

Its advocates are constantly seeking shapes and objects which will lend themselves to the greatest impulse in industry—mass production. They recognize the fact that materials and forms most adaptable to machine reproductions are the best for this era.

There is ample cause to believe that modernism has entered business to stay, and that its influence will increase rather than diminish.

A survey of 40,000 retail dealers made several months ago gave some idea of the growing demand for the new conceptions. From eight to fourteen per cent of furniture sales during the previous year were for goods of modernistic trend. In some of the large stores which cater to wealthy clienteles, the percentage was much higher. Lord & Taylor, of New York, doubled its sales of modern furniture within the past year; others showed increases of from fifty to seventy-five per cent.

Merchants have found, however, that the more unusual and bizarre the design the more necessary it is that the piece have superb finish, and that the cabinet work be of the highest grade. It is apparent, from this and other evidence, that the vogue of the grotesque is waning. And properly, for it never truly represented the modernistic movement; it was simply artistic exuberance on a spree. The trend can be most clearly discerned in the graceful and useful furniture, the colorful bathroom and kitchen fixtures which brighten the drabness and drudgery of household work, and particularly in the lamps and lighting fixtures, some of which combine exceptional practicability with an extraordinary beauty. Modernism, indeed, has been far happier in the field of illumination than in any other.

Textiles have been profoundly influenced by modernism.

IN other times beauty of design and color was attained chiefly, if not entirely, by imitating nature. But this is the machine age. Therefore (say the modernists) we must go to the machine for our art. Decorations in the ultra-modern manner depend largely for their effect upon striking arrangement of circles and darting lines laid in abrupt angles. The circle is the wheel—the foundation of mechanics and of our industrial civilization. The angles are the cross beams and trusses of the engineer, who has always considered them beautiful. Now the modernistic designer agrees with him and endeavors to embody engineering and geometric forms in his art.

Such an eminent authority as the French architect, Le Corbusier, has attacked all of the old formulas, and declares that the highest expression of beauty for this age can be found in the work of American engineers. He points out that everything is planned with a view to fitting shape, material, and design to the use for which the thing is intended. He finds beauty in locomotives, automobiles, kitchen utensils, briar pipes, and wash basins.

Foreign countries have taken the lead in modern design, for the American is conservative in his office, home, and personal habits.

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for Management and Distribution

A. T. & T.
has headquarters in Atlanta for the whole Southeast.

Western Union
centers the activities of 9 states here.

Postal Telegraph
handles 7 states from here making Atlanta the 3rd largest telegraph center in the *world.*

Southern Railway System
has transferred its entire accounting activities to Atlanta—to save time in handling.

Insurance Companies
serve 14 states from here—virtually every company having its Southern Divisional headquarters in Atlanta.

Federal Reserve Bank
serves the whole sixth district from the Atlanta headquarters.

Motion Picture Industry
handles 700 theatres from here, doing a business of 5 millions a year.

F. W. Woolworth
Stores in the entire Southeast are managed from Atlanta.

A & P Grocery
Stores throughout the Southeast are operated from the Atlanta headquarters.

. . . . And more than 1500 of the nation's outstanding concerns have established branches in Atlanta, Distribution City for the South.

If you sell the South (and it's a rich and growing market) it will pay you to investigate the profit possibilities of making Atlanta Southern Headquarters for distribution and management. Manufacturers will find they can greatly increase their Southern volume, while cutting production cost, if they "make it in Georgia." The Atlanta Industrial Bureau is prepared to make a first-hand survey that will give you the full, unbiased facts. Write

INDUSTRIAL BUREAU, CHAMBER OF COMMERCE
9338 *Chamber of Commerce Building*

Send for this Booklet!
It contains the fundamental facts about Atlanta as a location for your Southern branch

ATLANTA
Industrial Headquarters of the South

Silver Is Cheap

Indian crop failure, Chinese chaos, impoverish the folk who buy most of the world's production

ON a nervous little chair half encircled by a vast concave desk, telephones to left of him, telephones to right of him, there perched the other day, a nervous, keen, pink little man with cruel, glassy eyes. Left-hand telephone No. 7 tinkled. The little man's dry voice cackled figures, figures about pence and sixteenths of pence. A single word escaped, the word Hongkong. A delicate right hand, swifter and surer than a pianist's, selected right-hand telephone No. 4. Not far away across Wall Street canyons a single telephone on the mighty mahogany pulpit of a solemn private office-chamber burst out with an unusually golden note. An elderly gentleman took his time to answer. On a pad he wrote the figures and the jargon; in a slow, low voice he gave some directions as if he were asking a favor.

The bristling little lightning man was head trader of the greatest bullion house in the New World. The aged gentleman was president and chairman of the board of directors of one of the world's greatest mining companies. What had provoked the speed of the little man? What had happened in Hongkong?

IN a bang-up American-style office building on a broad street of Hongkong an immensely fat and immensely over-dressed Chinese with a British accent had just been dictating three cablegrams to a Chinese stenographer. One was to London, one for Calcutta, one for Bombay. They were in code words and figures. What they did was to sell thirty million ounces of a whitish, bluish metal called silver, ten million ounces in each market. The fat Chinese did not possess this silver. In fact he did not own an ounce in the world. Worse than that, he and his bank, or its syndicated speculating customers, were already short of the world silver market by twenty million ounces. These three cablegrams put his crowd short by fifty million ounces.

The price of silver fell to 50⅜ U. S. cents per fine Troy ounce, the lowest price touched since Sept. 18, 1915. The Chinese did it; the little pink trader knew it over the telephone from his cable room within a few minutes; the head of the great mining company learned it three or four seconds later. He acted as if he had been expecting it. Doubtless he had. For he was a philosophical man, accustomed to the inevitable. How did he know it?

THIS is how he knew. He knew that in far-away India, a thousand miles up a dark river, in a flat, muddy valley, a skinny coolie farmer was digging up the buried silver bracelets which last year it had been his joy to present to his child bride. The crops had failed.

STAMPING ECONOMIES that Help Win in Competitive Sales Situations

WHETHER you maintain your own stamping department, or farm out stamping work, G. P. & F. is in a position to offer still greater stamping economies. During peak periods, you can secure stampings from G. P. & F. cheaper than you can prepare to make them. And you may find that G. P. & F. can underbid your own plant or other sources of supply on any job.

The 15-acre G. P. & F. plant, equipped with the very latest time-saving machinery, manned by 1500 skilled workmen—and G. P. & F.'s enormous purchases of raw material—all combine to effect stamping economies. And G. P. & F. capacity of over 100,000 parts daily is your assurance of prompt deliveries under any and all conditions.

Besides, you have at your disposal an engineering staff backed by 49 years' experience in pressed metal work. They can assist you, as they have innumerable other manufacturers, in solving intricate stamping problems—in helping you get new products ready to sell without lost time. Why not let G. P. & F. quote on your requirements? Send a sample or blue-prints. There is no obligation.

GEUDER, PAESCHKE & FREY CO.
1390 St. Paul Avenue, Milwaukee, Wis.

G.P.&F. STAMPINGS
"KNOWING HOW SINCE '81"

GEUDER, PAESCHKE & FREY CO., 1390 St. Paul Avenue, Milwaukee, Wis.
Send your Booklet "Stampings" to address below.
Company.....
Your Name.....
Full Address.....

They would go together to the village to watch the forge-master melt down the precious bracelets which he had one year before fashioned from the silver rupees of a providential crop. Thought the old man: India will buy no silver this year. She will sell instead. Her crops have failed. She will need no silver to finance her exports, for she will have precious little to export.

He knew also that almost as far away, up endless undulations of sallow rivers, Chinese soldiers were drilling, patrolling, digging trenches, rigging barbed wire. He knew it was serious, more serious than public news disclosed. He had waited for it for years. It might last for years.

He knew that away from the vast scene of maneuver and battle, throughout the immeasurable interior of China, everything was in chaos—brigandage, revolution, theft, extortion, decay. China could buy no silver this year, he ruminated, nor next, perhaps. And with India and China unable to buy silver, who would take it? Nobody.

INDIA and China are the markets for the silver of the world and, as they prosper or keep the peace, silver rises, and as they starve or brawl, silver falls.

He thought of things sadder because nearer home. He thought of the Mexican and South American peon suddenly thrown out of work by the shutdown of one of his own silver mines, closed by a cabled order which he would dictate to his trusty secretary shortly. He thought of the profits and dividends in countless other mines, in American mines even, where the silver by-product in the copper and lead and zinc must come out in order to make the other metal pure and sound. He thought sadly and long.

Only once did he chuckle and then only for a moment. He thought of the Government at Washington, of the Mint. He thought of it buying his fine, pure silver at fifty cents an ounce and minting it up on a basis of $1.29 an ounce, putting paper silver securities out into circulation on that basis. A nice profit, he thought. Seigneurage, they call it—a word of nicety and elegance. Seigneur, from the French for Lord, for the governing, noble lordly class of the Middle Ages. Yes that was their right, their privilege, their profit—and a profit worthy of a lord.

After the trusty secretary had carefully reread aloud the cablegrams closing silver mines, he made with equal care exact notation of his master's operations in the bullion market, which had been unusually heavy that afternoon.

To men who want to

Quit Work some day

THIS PAGE is addressed to those thousands of earnest, hard-working men who want to take things easier some day.

It tells how these men, by following a simple, definite plan, can provide for themselves in later years *a guaranteed income they cannot outlive.*

How the Plan Works

It doesn't matter whether your present income is large or merely average. It doesn't matter whether you are making fifty dollars a week or five hundred. If you follow this plan you will some day have an income upon which to retire.

The plan calls for the deposit of only a few dollars each month—the exact amount depending on your age. The minute you make your first deposit, your biggest money worries begin to disappear. Even if you should become totally and permanently disabled, you would not need to worry. Your payments would be made by us out of a special fund provided for that purpose.

And not only that. We would mail you a check every month during the entire time of your disability, even if that disability should continue for many, many years—the remainder of your natural life.

NEW RETIREMENT INCOME PLAN

Here is what a dividend-paying $10,000 policy will do for you:

It guarantees when you are 65

A Monthly Income for life of $100 which assures a return of at least $10,000, and perhaps much more, depending upon how long you live.
or, if you prefer,
A Cash Settlement of $12,000.

It guarantees upon death from any natural cause before age 65

A Cash Payment to your beneficiary of $10,000. Or $50 a month for at least 24 years and 8 months.
Total $14,823

It guarantees upon death resulting from accident before age 60

A Cash Payment to your beneficiary of $20,000. Or $100 a month for at least 24 years and 8 months.
Total $29,646

It guarantees throughout permanent total disability which begins before age 60.

A Monthly Disability Income of $100 and payment for you of all premiums.

Plans for women or for retirement at ages 55 or 60 are also available.

Get this free book

The Phoenix Mutual Company, which offers you this opportunity, is a 125 million dollar company. For over three-quarters of a century it has been helping thousands of men and women to end money worries.

But you're not interested in us. You are interested in what we can do for *you*. An illustrated, 36-page book called "How to Get the Things You Want" tells you exactly that. It tells how you can become financially independent—how you can retire on an income—how you can provide money for emergencies—money to leave your home free of debt—money for other needs.

This financial plan is simple, reasonable, and logical. The minute you read about it you will realize why it accomplishes such desirable results—not for failures, not for people who can't make ends meet, but for hard-working, forward-looking people who know what they want and are ready to make definite plans to get it. No obligation. Get your copy of the book now.

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Home Office: Hartford, Conn. First Policy issued 1851

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"How to Get the Things You Want."

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CB-1

Shall It Be a Soda Census?

CONSIDER for a moment the chocolate ice cream soda. Or vanilla, if you prefer. It is just such articles of commerce as ice cream soda that have made the U. S. Census Bureau wild. It confronts the task of recording next February all across-the-counter sales of merchandise made this year.

There was a time when the census was simply a count of heads. Since the census of 1790, when the population totaled less than 4,000,000, the system has been extended to depict the social, industrial, and business relations of a population that has increased to 120,000,000.

The census bureau is the largest statistical organization in the world. In addition to the count of the population, its production schedule provides every tenth year for a census of religious bodies, an estimate of national wealth, a count of defective, dependent and delinquent persons in institutions, and a census of water transportation. Every fifth year, the bureau takes a census of agriculture and a census of electrical industries. The census of manufactures is a biennial report of industrial employment and production. Statistics of births, deaths, marriages and divorces, and the financial status of states and cities are compiled annually.

The distribution census of 1930 will be the first in history. The project was advanced by Mr. Hoover five years ago in his campaign for the elimination of waste in business. It went over big with everybody except the personnel of the Census Bureau. For a generation William M. Stuart has been affiliated with that bureau. He has been its director since 1921. Mr. Stuart is a statistician of the old school and innovation has wrought havoc in his office. Handicapped by too many inhibitions and hurt by the callous disregard with which his arguments in behalf of the integrity and comparability of statistics have been met by the bright young men in the advertising business, he is sticking grimly to a job that in his opinion can not produce the results that have been claimed for it.

Ice cream soda is just one of thousands of commodities sold in millions of individual transactions daily. Someone seriously proposes that the census include a count of all sodas. Someone else desires to know how many ladies reach instead for a cigarette.

It may all be valuable statistics to some folks, but to the Bureau, it's just a headache.

In short— to make profits

That is what your business is trying to do—there's no question about that. But where to make profits and how to make profits are questions.

Where to make profits?

Where there is a market. Where there are many people with plenty of money, high standards of living, liberal habits of spending. Where large sales volume and low sales cost leave respectable margins of profit. No market fills these requirements like metropolitan New York—that is where to make profits.

How to make profits?

In New York ask Bush Distribution Service to show you how it can keep your costs down and raise your sales volume. Your sales force can concentrate on selling—and we will receive, store and deliver your goods. We can save you money on this—as we are saving on the costs of 3,000 other businesses that distribute through us in New York (some of them have saved from 28% to 50%). We can help your volume of sales: first sales are easier and faster with spot stocks well serviced; and re-sales are more certain when the dealer can count on twenty-four-hour deliveries with no mistakes and no damaged goods. Bush Service builds prestige and good will with the trade by getting your goods to the retailer when he wants them and in the quantity and condition he wants.

Some concerns coming into New York use Bush Negotiable Warehouse Receipts, so that their spot stocks in New York supply working capital for New York sales.

Ask us for further details. Your copy of the Bush free booklet, "More Profits in New York," is waiting for you. When you write for it, describe your product and your methods of sale and we will send with the booklet a Bush Service letter telling precisely how we can help your business to succeed in the New York market.

Bush Distribution Service

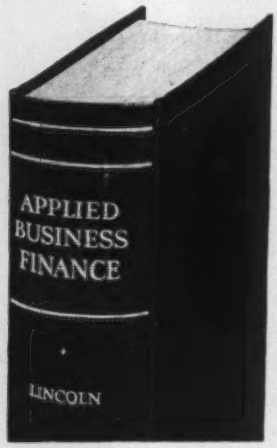
Bush Terminal Company

100 Broad Street, New York, N. Y.

Please mention this issue of Business Week

New Fourth Edition

Revised and Enlarged



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This book really tells the best methods of calculating capital requirements and exactly how to secure sufficient long time capital for working purposes; points out the safe ways to borrow and on what terms; how quickly loans should be paid back; and when to distribute earnings. Methods of temporary financing are analyzed for the good and bad points. Tells the logical ways to establish maximum credit and how far to extend credit to others. Relations with the banker—the specific requirements are explained. Takes up the handling of the funds within the business; how to finance production and sales; how to prevent "frozen" capital, increase the rate of turnover, etc., etc.

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You Can Hedge in Hops, Rags, or Hides

THE day is to Exchanges, as the Frenchman might translate. They are victorious, over everything. It is only natural, then, not only that those which are established should be better ones, with wider facilities, operating at a higher speed, but that there should be more of them, new ones, dealing in other commodities which offer a chance to the speculator.

Outstanding among new ideas in exchange is the New York Real Estate Securities Exchange, whose formal opening has just been set for October 1. To say that this exchange has been powerfully sponsored is to put it mildly. The radical argument for the exchange is accepted as sound, viz, the huge amounts of capital required nowadays to carry through the vast real estate developments which are the order of the day. Where hundreds of millions are needed there must be thousands or tens of thousands of security owners.

The conservative stand against such an institution remains, it must be said, for the most part unheard. It is the ancient banker feeling that there are some assets which it is better to keep pretty well frozen. Ice is more like rock in consistency than is water. With everybody owning a little bit of real estate instead of a few rich men owning a lot of it, the whole real estate structure is less solid. The creation of an exchange to deal exclusively in real estate securities might conceivably lead to wild speculation, booms such as even America has not known.

Not to be outdone by the real estate financiers, the promoters of commodity exchanges have taken a great step forward. They have announced that on May 1 Wall Street ground will be broken for a skyscraper to house a group of seven commodity exchanges under a single roof. The idea is all the more audacious because out of the seven exchanges, four are brand new and one is pretty new. The well established ones are: Sugar; Coffee and Cocoa. Rubber is very young but a going concern. Metals; Hides; Silk; Burlap and Jute, are very new.

Within the past two years a remarkable work of promotion and propaganda has been carried through to provoke what might be called a renaissance of speculation in commodities. Goods were traded in, speculated over, hedged, futured, long before securities existed. Within easy human memory the Chicago Board of Trade and the New York Cotton Exchange far surpassed in importance the New York Stock Exchange. Foreign lands have maintained the importance of their countless commodity exchanges.

Not everyone knows that merchants can deal quite scientifically in futures and hedges in hops in Germany, in rags in Belgium, in junk in Holland, in cork in Portugal, in molasses in Cuba.

But the Yankee speculative instinct got turned to the market for stocks. It was because of advertising, say the old commodity exchange men. One could no longer look out of the window from office or train, into the newspapers or magazines without being reminded of the brand name of some familiar manufactured commodity or public service. Now all these brand names were listed on the New York Stock Exchange. Every man had a private notion of the value of every branded thing. Hence his aptitude for speculation in the stocks behind the brands.

By far the most audacious and fascinating idea of the hour as regards this renaissance of commodity exchanges is the creation of new exchanges to deal in commodities which have never been thoroughly subjected to scientific standardization before. Chief among these, in the heads of the promoters of this revival, is petroleum. Its possibilities are as limitless as its difficulties.

Another exchange idea which is now under active study is wool, which in the opinion of the promoters offers excellent possibilities, although not for New York City. The great wool merchants are at Boston and Philadelphia. Much is also being written by students of this movement about coal and its cousin, coke. Tobacco is a possibility.

Finally, it is the dream of the men who are endeavoring to bring commodity speculation back, to group all of the commodity exchanges in a given city under one roof as The Commodity Exchange, with posts for the different commodities. Then the old interest of the public in things rather than in names for things might return.

Now Goodyear announces Balloon Tires for TRUCKS

On Your New Trucks, Specify Goodyears

An outstanding development — to match the superb progress of truck performance

THESE new Goodyear Truck Balloons meet the new challenge of speed, smooth operation and long distance performance of present day trucks.

Goodyear has made them cool-running. The heat normally generated by high speed is diffused over a greater surface—with results which demonstrate themselves in lower tire bills.

They operate at 50 to 55 pounds lower pressure—their new and greater cushion reduces destructive jars and vibrations, lengthening the life of engines and trucks.

Equipped with these tires, fast trucks enjoy the unfettered performance of the motor coach. They can cover more miles per hour or day. They will safely maintain speed on curves, hills and rough roads which would be impossible under old conditions. These new truck balloons mean increased traction in sand, mud and snow.

Under brutal operating conditions, on the Goodyear Test Fleet, largest in the world, they have brilliantly proved their stamina.

Consult a Goodyear Truck Tire Service Station Dealer concerning the benefits which this newest Goodyear can bring to your trucks.

More Tons Are Hauled on Goodyear Tires Than on Any Other Kind

GOODYEAR

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The Week's BUSINESS Speeches

JAMES J. DAVIS, Secretary of Labor, at the meeting of the American Industrial Association:

"Character has become one of the chief bases of credit integrity and standing in the community for supplanting goods and chattels as security for small loans. It is an act of wisdom that far-seeing business men have organized in such a way as to make it possible for the applicant for the small loan to be taken care of without red tape, without exorbitant rates, and divested of inequitable treatment. It is good for business and for all concerned. It links together business men and individuals for cooperative and useful purposes."

▼

One of the greatest mysteries in the world is the success that lies in conscientious work.—Calvin Coolidge

▼

JOSEPH H. APPEL, associate in John Wanamaker stores:

"As science has been applied in retailing, it has sought to proceed in mass action—to follow, imitate, not lead. If stores all do things in the same way, buy and offer the same styles and merchandise, what will be the end? There is a limit to standardization either of merchandise or of service. Carried beyond this point, there is apt to be a rebelling on the part of consumers who will demand and patronize stores catering to their individual desires and needs.

"Courageous leadership and individuality are paramount in the future progress of retailing and of the large stores."

▼

PROFESSOR F. W. TAUSSIG of Harvard, former chairman of the Tariff Commission:

"Every one who has meditated on the underlying causes of international friction cannot but feel that we must develop a new and better attitude toward foreign countries. We must dismiss the language of war when we speak of our intercourse and trade with them. Something other than suspicion and enmity must sink into our hearts. It is from this higher point of view that we may well consider not only the peace treaties which we are invoking and the disarmament which we promote, but our commercial policy as well.

"The spectacle of a rich and dominant United States is a lesson which cannot possibly be ignored. But at the same time the fact that America is somewhat lacking in international mindedness is a warning."

▼

When any law prevents steady work for large numbers of our citizens, it ought to be modified.—James J. Davis referring to the Sherman anti-trust law.

▼

JAMES GOOD, Secretary of War, to members of the Atlantic Deeper Waterways Association:

"The 250,000 miles of splendidly equipped and well managed railways are largely responsible for the growth of the country, but it cannot alone take care of the tremendous transportation needs of the country. The nation needs all that the railroads, the automobile and the airplane can perform in the way of transportation, plus what our navigable rivers can give when they are adequately improved for transportation.

"The freight bills of the nation have been reduced by more than $600,000,000 annually as a result of improvements of inland waterways already accomplished.

"Efficient, water-borne communication is already dealing powerful blows to our fast-vanishing sectionalism. New projects must be considered not sectionally but nationally."

For the Man who Cares

LONG after you would expect any shoe to have lost its shape and its smartness, THE FLORSHEIM SHOE is still giving service . . . It is still shapely . . . still handsome . . . still a pleasure and a credit to its wearer!

THE PICK . . . *Style* M-362

The FLORSHEIM Shoe

Most Styles $10

Florsheim SHOE

Statisticians and Senators

BABSON is not the only prophet crying in the wilderness. Crop estimators, too, lead a hard life. Their efforts are calculated to please no one for long.

The crop season is barely over, yet already the day of reckoning has arrived and Senators jump on their backs. Heflin of Alabama, Connally of Texas, George of Georgia, accuse them of "inflating" the September cotton forecast by half a million bales—breaking prices and making cotton farmers lose $70,000,000, according to Heflin's hasty calculations. Senator Connally even charges the Crop Reporting Board with taking into consideration probable weather and pest conditions. Obviously only the market should be considered.

The trouble, it appears, is that the early crop predictions are based on a mathematical formula, not on estimates from farmers and others as to the probable yield per acre. This formula uses a normal based upon five- or ten-year average yields in the past. The weevil spread compelled modification of this normal in weevil years. In 1927 the government forecasters deducted eight pounds from the ten-year average yield of cotton per acre to make "par," as it is called; in 1928, 18 pounds. But this year they reduced the par by only three pounds although weevil damage was known to be large. The result was, Senators say, too high, and cotton prices have remained weak.

Doubtless crop estimators do the best they can, in the shadow of the Capitol. But, in the end, all of this statistical scrupulosity and Senatorial scoldir[illegible] not make cotton a cent higher or [illegible] than world supply and demand dictate. The fact is that this season the demand abroad for American cotton, at present prices, is weak. Europe slowly, but surely, is using more Indian and less American cotton.

There are signs, too, that our cotton is deteriorating in quality through carelessness in selection of seed, boll weevil, and bad farming, while Indian and even Chinese cotton is improving. Russia, with the aid of a former American Commission of Reclamation, is planning by extensive irrigation projects to grow cotton in Turkestan on a large scale. To hold our markets, we shall have to increase efficiency of production and improve our product. Senatorial slapping of statisticians won't help.

NOW priced as low as $25 F.O.B. Factory

ADDRESSING "ELLIOTT" MACHINES

NOT solemn little blackbirds in the snow, but happy white-clad children at a garden party!

This is a picture of WHAT? Can't tell at FIRST GLANCE can you?

It's a NEGATIVE. Everything is in REVERSE. Until a *positive print* has been made from it, the best you can do is GUESS what it's all about.

It was to eliminate this kind of guesswork from your MAILING-LIST FILES that the Elliott "TYPEWRITEABLE" System of Automatic Addressing was invented. Until then, anyone who wanted a mechanical addressing system had to use NEGATIVE address plates—unreadable until fastened into frames together with POSITIVE prints on extra slips of paper. Each mailing-list name thus called for *three separate parts*—difficult to assemble and apt to become confusingly separated.

ONLY "ELLIOTT" STENCILS can give you the important advantage of *perfect legibility at first glance.*

In addition, the Elliott System insures a *400% speed advantage* over former systems. "ELLIOTT" makes the only AUTOMATIC ENVELOPE-FEED Addresser sold at a popular price, within easy means of everyone. *It prints 125 different addresses per MINUTE!*

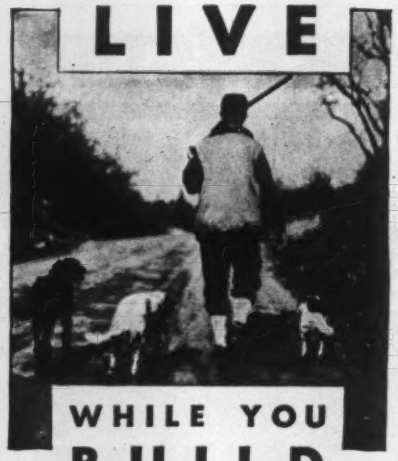
Proof of the superior desirability of the "ELLIOTT" System is significantly evidenced by the fact that a very large proportion of "ELLIOTT" sales are made to business concerns, banks, stores, lodges, churches, etc., that already own addressing machines of other make.

"ELLIOTT" one-piece all-fibre Address Cards are stencilled on a typewriter. Addresses are POSITIVE—always readable without addition of extra identifying parts.

CLIP and MAIL this COUPON

☐ FREE Catalog
☐ FREE Demonstration
☐ FREE Book about Direct-Mail Advertising

Check what is wanted at left, attach to your business letterhead, and address to the Elliott Addressing Machine Co., Cambridge, Mass., U. S. A. (or 84 St. Antoine St., Montreal, if you are in Canada).



EVERY man worth the name has an aim and ambition to build a solid competence—but too many ignore the call to live a full life while fulfilling life's ambition.

So much emphasis is laid on the industrial possibilities of Piedmont Carolinas that many may not realize the richness and fullness of the life people live here.

Nowhere in the nation are the public schools more uniformly high in character.

Nowhere in this country are the general standards of living so genuinely sound and wholesome.

A friendly hospitality here goes hand in hand with a remarkable industrial development.

The mountains (highest east of the Rockies) beckon on one hand and the hunting and fishing of the coastal plain are only a few hours distant on the other. Close by you find golf courses that are internationally famous.

The climate in summer is equal to that of southern New York in temperature with 10° to 15° less humidity. The winters are 10° to 25° warmer.

If *living* is as important to you as business success, here you may have both in fullest degree.

If you have not received "*Piedmont Carolinas*," may we suggest you write for it today? It is full of pertinent facts for business executives.

Please address Industrial Dept., Room 2530, Mercantile Bldg., Charlotte, N. C.

DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES COMPANY AND OTHER ALLIED INTERESTS

TREND and TEMPO

By Robert R. Updegraff

WHY is a Chairman of the Board? Well, it all depends on the chairman, not on the board.

One man I know, a man whose name is almost a household word on the North American continent, and who after he had passed his seventy-fifth birthday and was considered too old actively to run the business, has fooled all the wiseacres. They thought he had been "kicked upstairs" when he was made Chairman of the Board, but he has whittled out a job for himself which is paying bigger dividends than anything he could possibly do around the office.

This man likes to travel. Now that he is relieved from active responsibilities, he is able to indulge his hobby.

He will show up unexpectedly some morning in Los Angeles or Seattle or Atlanta or Denver or Boston at the company's branch office and ask the local manager for the names of five or six of the company's biggest customers in that city. Then he will set out to call on the presidents of these companies. He sells nothing; he does not even talk his own business if he can help it; he just chats on "big business" topics and life in general. The men upon whom he calls enjoy his visit, feel pleased at the compliment of it, and urge him to stop in whenever he is in the city again.

As for the C. of the B. himself, he enjoys these calls hugely. He knows they are usefully serving his business, and it keeps him in the harness without having the harness chafe him. And as for the branch managers—well, you can imagine how enthusiastic they are to have the Chairman of the Board working for them, even for a day or two!

▼

AS an introduction to a discussion on the rise of modern science, Geoffrey Parsons pens this interesting picture:

"Pure science inspired the intellectual growth of this age. Applied science erected its physical background. Both ideas and economic facts were potent forces, and, despite the contemporary tendency to stress the supremacy of economic forces, no means of weighing the two elements are known. The political and the artistic history of these centuries can best be portrayed against this significant background of minds and machines."

It is desirable that occasionally we who make up the business world be reminded that economics is not the only factor responsible for our advance, nor yet the sole measure of our progress.

▼

TWO business men were riding last week on a Western railroad. The train passed an isolated railroad yard, overgrown with weeds. On the rusty rails stood strings of abandoned freight cars, all of them apparently past their usefulness, with doors hanging loose and caved in roofs.

"How many thousands of dollars a year do you suppose that yard full of battered freight cars costs this railroad?" asked one.

"I don't just follow you," replied his companion.

"Why, every time any employee of this road passes this spot and sees those cars, the road's morale goes down a point or two. They are a standing advertisement of the thriftlessness and shiftlessness of the management. 'Why bother to keep up a good front for our road?' they say to the rank and file of the organization. And that isn't all the damage. Quite unconsciously every passenger's respect for the road drops a point as he rides by that graveyard."

"I wonder," said his companion thoughtfully, "if we haven't the equivalent of a string of abandoned freight cars around our plant—abandoned machinery and equipment that looks like industrial decay—or even defeat?" He reached for his note-book and over his shoulder I saw him write, "Look through plant for dead freight cars."

WITH the golf season waning, I have come to the conclusion that, properly speaking, golf is not a game. It is a losing struggle with a piece of irritating real estate.

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$745

CHASSIS F. O. B. DETROIT

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Take a trial trip—with you at the wheel. Test it for speed, power, safety, driving ease and riding comfort. Lift the hood and inspect the sturdy, modern engine. Note the rugged frame, axles and springs. Give due importance to the quick, quiet, sure hydraulic 4-wheel brakes.

Let us show you the truck complete with body you need. Stand back and admire its good looks. Picture your name on its sides.

You can put one of these 1-ton trucks to work—safe in the knowledge that it will carry your loads dependably and at a surprisingly low cost per mile, per trip, per year.

Let us prove these statements. Have one of these exceptional workers join forces with your other business-building and profit-earning investments.

PRICES

½-TON—109″ wheelbase (4-cyl.)	$ 525
¾-TON—124″ wheelbase (4-cyl.)	675
¾-TON—124″ wheelbase (6-cyl.)	775
1-TON—133″ wheelbase (4-cyl.)	745
1-TON—133″ wheelbase (6-cyl.)	845
1-TON—140″ wheelbase (6-cyl.) Heavy Duty	1065
1½-TON—150″ wheelbase (6-cyl.)	1345
1½-TON—165″ wheelbase (6-cyl.)	1415
2-TON—150″ wheelbase (6-cyl.)	1515
2-TON—165″ wheelbase (6-cyl.)	1585
3-TON—135″ wheelbase (6-cyl.)	1745
3-TON—165″ wheelbase (6-cyl.)	1775
3-TON—185″ wheelbase (6-cyl.)	1845

Chassis f. o. b. Detroit

DODGE TRUCKS

CHRYSLER MOTORS PRODUCT

SOLD BY DODGE BROTHERS DEALERS EVERYWHERE

EDITORIAL PAGE

THE BUSINESS WEEK—A McGRAW-HILL PUBLICATION

Industrial Disarmament

IT is good that Great Britain's Prime Minister comes over to have a talk with our own—whether it is about disarmament, debts, or anything else. Mr. MacDonald and Mr. Hoover are both men of a practical turn of mind, interested in practical ends. England and the United States are great business countries, dominant in industry, concerned above all with the stability and growth of world trade. Both have a tremendous stake in the prevention of international disturbances. We hope they can join hands and find a way to exercise their influence together to that end.

Pacifists should not expect too much, or patriots fear too much from meetings of this kind. Too much importance has been attached to naval disarmament as a peace gesture.

Both Prime Minister and President know that the day of the battleship is over. Science has put into the hands of Mars far more effective and far more economical weapons of defense or offense than these impressive but expensive toys—though the men who build and operate them still refuse to admit it. The overhead cost of maintaining large navies, and even large forces of trained land reserves, has become greater than is justified by the sense of security they produce in face of the development in all countries of air forces and chemical weapons of warfare.

Even on the sea, power will pass rapidly to the nations that can build the most and fastest merchant ships capable of mounting a few guns. Mars, like industry, has changed its methods of doing business.

Mr. MacDonald and Mr. Hoover both know the truth about battleships, and they are wise in trying to break it gently to the public. They know that if overproduction of that line of martial machinery can be controlled, it will save the taxpayer a lot of money. But they know, too,—and the public should know—that it does not mean peace.

Peace does not depend upon the kind of things with which nations have to fight. It depends upon the things with which they have to work. It depends upon freedom of industrial development, upon fairness in distribution and control of raw materials, upon constant contact and free intercourse through commerce. It is bound up with the ways in which the world makes its living, not with the ways in which it does its fighting.

In the end, it will matter little to Mars whether, as a result of MacDonald's visit, we build 21 cruisers or only 15, if through our tariff policy we impose unjust and uneconomic burdens upon the industries of other countries and deliberately make it more difficult for their people to do business with us.

In face of the submarine warfare upon world trade which the Senate is now preparing in the new tariff bill, a naval conference will have the pathetic impertinence of Henry Ford's peace ship. We shall be saluting the dove of peace with a salvo of shotguns, and crossing the olive with poison ivy.

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